







Peter Bennett and David Dixon in Stephen Pollakoff's new play 'Heroes', which opened at the Theatre Upstairs last night.

Elizabeth Hall

## Festival of Arts of India

by MAX LOPPERT

The explosion of colour and enchantment capable of piercing even Elizabeth Hall gloom has begun its fifth annual season, and continues tomorrow (before moving next week to a location even more urgently in need of good cheer, the Round House). If Monday's recital of Bharata Natyam, Kathakali and Manipuri dancing, and instrumental and vocal solos, was in general less upsurious, more devotional, more than the start of last year's Festival, that may have been in the nature of the music and the material performed; for the artists unfolded their numbers almost equally as brilliantly as this enterprise has led us to expect.

The overall presentation was instructive, with a spoken introduction before each number, which may perhaps have curbed the atmosphere freely flowing from performer to audience a little, but which helped to leave no outsider completely on the outside. It was useful, for instance, before *Tillana*, the exhilarating, highly complex dance duet for V.P. and Shanta Dhanajayan that closed the first half, to have in mind the difference between it and the hieratic temple-dance manner of the earlier Manipuri duet by Darshana Jhaeri and Shantabala Devi, with the sways and eddies of their hands, their way of drawing the eye along to the crimsoned point of a finger. Between the two came the solo

Pung Dance given by Bhr Mangal Singh, in which the drummer simultaneously played and sang his instrument (Pung is the conical Manipuri drum) in whirled circles around his body, until eye and ear were hypnotised. This, and Mr. Dhana-jayan's ferocious Kathakali mime of bestial violence and cunning in the second half, were the high points of the evening.

The musical interludes were similarly varied and balanced. Maniprasad, the Delhi singer who has a Western ear marvelling at the vastness of his range (an organ-pedal D in the bass to the G more than two octaves above, by my reckoning) and his relaxed tone throughout its length, sounded as though inspiration were just a little lacking in his single solo. In the rag by the star-player Indranil Bhattacharya, one was perhaps more interested in the "harmonic" surprises of the Rag Marwa than overwhelmed by the melodic subtlety of individual turns of phrase—but amplification, a potential hazard throughout the evening, may have unbalanced the tone of the instrument as actually heard. As a finale, ensembles of all the instruments and dancers had co-ordinated a novel idea that might have worked even more enjoyably with more time given to the expansion of each individual contrasted musical and dance entry. The problem with such evenings is the one wants them to go on indefinitely.

Coliseum

## Spanish Dance

by CLEMENT CRISP

The first half of the National Dance Company of Spain's programme is — for old Spanish dancers — quite unexpected, and quite a change of style, such of it in Zarnalea, a style pleasingly on the ear and well performed by an anonymous orchestra. The items are short, well shaped in choreographic outline, and given with considerable brio and style by large and splendidly drilled ensemble. Not one guitar twangs exorably from tonic to uminant; nor is there one latter-tone yowl from a unenueo vocalist; it is not the seductive fare of most Spanish apes, but an agreed planned rvey of Spanish styles, danced in precision and considerable suira.

Two stars shine in a couple numbers: the elegant and ry Mario La Vega and the antiful and dramatic Maria i Sol, both of whom are artists considerable technical uilance. The company has one rther star: Antonio, who kes a single carefully staged pearance in the Gypsy dance m La Vida Breve.

But with the second half of Monday's opening programme, we are back on much more familiar and well-stamped territory. Antonio appears in his own version of *El Amor Brujo*, a none too happy realisation of the Martinez Sierra/de Falla ballet. The score is magnificent, but its dramatic and choreographic structure are less than compelling, and Maria del Sol as Candelas and Mario La Vega as her spectral lover (Antonio is Carmelo, Candelas' kypsy suitor) can do little to redeem matters. Thereafter, the evening is devoted to guitars, the garbled en-trusties of Flamenco singers, and a good deal of dust raised by heels drumming the stage.

Mario La Vega is tremendous in *Furaca*, body superbly arched, and Antonio's own *Baile por Cana* finds him wonderfully resourceful in rhythm, especially in the sequence of encores which his adoring public demands. The company show themselves infinitely willing to clatter and stamp and clap, but it is the first half of the entertainment that makes the best and strongest impression.

## Arts news in brief

As a prelude to next year's American bicentennial, a major exhibition entitled *The World of Franklin and Jefferson* will open for two months in London at the British Museum on Wednesday, September 17.

The exhibition, created and designed by the office of Charles and Ray Eames, spans 120 years of American history (1706-1826), from the American colonial experience and its European heritage, to the point where the young nation moved westward. It contains artifacts, paintings, manuscripts, photographs, reproductions and other reconstructions illuminating the era of Franklin and Jefferson and its relevance to society today, and the continuing significance of the concepts of America's founding fathers.

The First International Antique Dealers' and Art Galleries' Exhibition will be held at the International Sporting Club in Monte Carlo from July 25 to August 11, under the patronage of Prince Rainier and Princess Grace. There will be a gala in

the Salle des Etoiles on Saturday, August 2.

Hollywood actor Henry Fonda will appear on the London stage for the first time in the Broadway production *Shirley*, by David W. Rintels, adapted from Irving Stone's book.

The play (of which Mr. Fonda is the only member of the cast) opens on July 16 at the Piccadilly Theatre, London, for a season of ten weeks. There will be previews on July 14 and 15. The director is John Houseman.

Marcel Marceau, the French mime, returns to Sadler's Wells Theatre for a second visit on August 11. Marceau's last appearance at Sadler's Wells was in 1972 when he played to capacity audiences at the theatre for a season of ten weeks.

Marceau comes to London following a season in New York and his Sadler's Wells programme will have a number of new items. He will be assisted by Pierre Verry.

Television

## "When we have matched our rackets to these balls"

by CHRIS DUNKLEY

Who is it, I should like to know, who has the job of ensuring that the bottles of Robinson's and sports shoe makers to be honoured.

This is important in the question of television coverage not simply because of the priceless advertising which the BBC finds itself conveying (unpaid) to millions of viewers like a pig powerless to avoid feeding a tapeworm; it is important because once you are aware that the players on screen are just another part of show business, it becomes extremely difficult to consider them in any other light. Thus instead of sympathising with Virginia Wade on Monday as she faced Evonne Cawley (née Goolagong) it was all too easy

one of the most vital places for all those contracts with racket and sports shoe makers to be honoured.

There were at least as many upsets and disappointments as usual, with seeds being dismissed early by players virtually unknown to the layman, and most of the British players being knocked out in the first few days. Yet the labels on those bottles of fruit juice seem to me to be a more accurate and apposite symbol of televised Wimbledon these days than any picture of stacked rackets or for that matter the tennis ball logo used by "Radio Times". The bottle labels are advertising. They are there, and facing front, to make money and there is an increasingly strong feeling that this is why most of the players are there as well.

In fact the feeling is, at times, overpowering. It is quite impossible to believe that there is no connection between the sudden increase in the earning power of today's top tennis players, and the simultaneous increase in petulance, not to mention sheer bad temper, with which points are disputed. It has taken Jimmy Connors just two years to become a millionaire, and according to Christopher and Shirley Brasher our very own Virginia Wade "must be the highest paid woman in Britain—more than £50,000 this year" outside show business. Now Billie Jean King, who seems to have had as much as anybody to do with the pushing up of prize money and who is another millionaire, is showing the next logical step for top players to take: she has her own Billie Jean King Show on American television.

Several times I have seen it suggested that none of this has any bearing on the way that the players behave at Wimbledon, because it is said—the prize money here is so low (speaking comparatively, I assume) that it hardly covers costs for the major players coming from abroad.

Therefore, says the argument, it is clear that the players still compete at Wimbledon for glory alone, and it is the last major tournament at which commercial interests are really of no importance. This might be convincing were it not that Wimbledon is one of the world's greatest tennis showcases and therefore

distinct air of *Girls' Crystal*. There was a moment on Thursday when Miss Jones actually said: "The question is now, she's held her service once—can she hold it again?... Now it's a do or die effort."

My feeling is that if the players are going to be paid show business money then they had better acquire a few show business techniques such as grinning and bearing it when things go wrong, instead of lurching about the court glowering at the line judges. Nor do I consider them in any other light. Thus instead of sympathising with Virginia Wade on Monday as she faced Evonne Cawley (née Goolagong) it was all too easy

and doubt whether it will astonish my children who, unlike me, will have grown up from earliest babyhood with television.)

There is even one team of people involved for whom I have unadulterated admiration: those who mount and run the BBC's outside broadcast operation. With film and videotape accounting for such a large majority of television programmes nowadays it is necessary to keep reminding oneself on those rare occasions of live broadcasting such as Wimbledon that nobody has had any chance to re-shoot or to cut or edit any of the programme (not usually, anyway). When Rosie Casals is serving and the action cuts on screen just at the moment when her racket is descending on the ball to a reverse angle showing Lesley Hunt in the fraction of a second before she receives it, one has to remember that the superb "fit" is not the result of an editor working in a cutting room with two bits of film and splicing them at precisely the right frames—it is the result of the director in the BBC's control gallery calling the shots very precisely from four cameras while the game is actually happening.

In Britain we are now so accustomed to this being done supremely well that we simply don't notice it any longer. Only when we are obliged to take a shared service from some major event abroad does it occasionally become clear by contrast what an extraordinarily high and consistent level of work is maintained by British production crews.

One of the great attractions of tennis, particularly for non-players and particularly on television, is that it is always very easy to understand who is winning. This is true also of snooker which is experiencing a national renaissance following the success of *Pot Black* on BBC 2. It is not, however, true of chess, and if anybody at the BBC thought that *The Master Game* might do for chess what *Pot Black* did for snooker, they will have to think again.

Where David Nixon's late night chess series for ATV, *Chessmate*, has been relaxed, snappy and charming—and highly informative—the first episode in BBC's *Master Game* series was ruinously complicated and pretentious. A combination of electronic arrows with St Vitus's Dance, dubbed commentary from the players of the comic strip "The Bubbly Variety" (full of just the sort of thing you are always saying to yourself—such as "this is no time for recrimination" and portentous musical accompaniment, it succeeded only in conveying a telling that those who made the programme believe that chess is terribly complicated.



Connors without much advertising

to start criticising her — for the brusque nod accompanied by a brow which indicated to a ball-boy that she wanted another ball; for the extraordinarily graceless round-shouldered crouch — called out, and then to watch him smashing his racket when the line judge and umpire stuck to their guns, was to confirm the suspicion of earlier years that if the man ever was a great entertainer he was growing into a great bore.

And yet, in spite of all this, it would be quite wrong to suggest that I have not enjoyed Wimbledon this year: the luxury of being able to sit at home and watch, in colour and in "real time" as the games are played on the other side of London, is something which still pleases and astonishes me. (I wonder

Berliner Theatertreffen

## From Shakespeare to Ionesco

by RONALD HOLLOWAY

With the stops pulled out to show West Berlin into a cultural oasis between East and West, and the International Theatre Institute (ITI) holding its 16th World Congress here, delegates from 49 countries: a first bonus of the Four Big Agreement on this occasion, the Berliner Theatertreffen rose to the occasion to embrace its public in a democratic style.

on internationally familiar names from Shakespeare to Ionesco, save for one lone, contemporary, East German author, through the bias-regretful, however, Frank-Patrick Kelly's production of Heinrich von Kleist's *Schaubühne am Hasen Ufer* was one of two that could not be resoured or transposed in time for festivities.

Theatertreffen in the past manifested a recurring bias: a fault understandable in the light of the isolated city's want for delighting in out-quests. But seldom has its ard for highlighting arable new trends over the year on the German scene—West Germany, East Germany, and Switzerland, excluded the German Democratic Republic—been more abused his time around.

ten-man jury voted in display and heavy-handed licence over directorial for its own sake. Indeed, the stature of a patient handful of left-outs in new hands of the eight chosen, and the very cringing around the partially for a single city broad landscape (three stamped in the Bochum of Peter Zadek's *Volksbühne* at the Berlin Theatre) as a nursed, albeit after a well of enraged cnuai soul.

season couldn't, by any of the imagination, have a bad as this. In fact, it all above the average, as gramme booklet's list of proposed and discussed ions readily indicated, muel Beckett production *Waiting For Godot* at the Theatre is masterful, world festival (and it be invited elsewhere) abstract from the West miseries surrounding it, a play director and arg party company with at Liebau in a huff to an invitation to break the (cutters linking Western

man to a dead culture and face freely the anachronisms in Christian existence.

Similarly, one of the Thomas Bernhard productions of *The Hunting Party* in Berlin, Vienna, and Basel would give a provocative new playwright his just due, and to place him next to his leading counterpart in the East, Heiner Müller, would reap his rewards, both internationally and locally. As for unimpeachable netizens, Hansjörg Heynert's approach to Goethe's difficult *Egmont* and Roberto Ciulli's re-vitalised, realistic look at Georg Kaiser's *From Morn to Midnight*, both passed over, placed Cologne on the map this season. In addition, Stuttgart and Frankfurt, two other prominent centres of creativity (with many of the accompanying woes), had stronger productions to offer than those selected. And Louisa's poetic production of Horvath's *Finite Love* Hope fell too easily by the wayside in an obvious preference for the showy and the heavy-handed. The jury would have done well to hold a Press conference.

Five of the 10 selections have been reviewed on these pages: Stachel-Müller's *The Wage Earner*, Stein-Gorky's *Summer Folk* (I titled it then *The Vacationers*), and the German reads *Summer Guests*, Kirchner-Ionesco's *The Bald Soprano* (with *Cloven Numbers*), and Peter Zadek's *King Lear* and *The Wild Duck*. *The King Lear*, stamped in the Bochum mood of Volksbühne, met with a cascade of boos and hoorahs as the curtain came down at the Freie Volksbühne, Piscator's old stamping grounds, followed by a circuit in the lighting which plunged the visiting ensemble into darkness.

Zadek supporters took pains to cite the *Volksbühne* quality of the production, but his freedom with the classics seems rather to challenge accepted interpretations with magnificent amateur theatrics and a huge shrug: if *Lear* is a last-ditch scaling of a mountain top, we have a carnival wine, striding through a swamp; if *The Wild Duck* is a tragicomic attack on pham ibenism, then Hjalmar Ekblad is turned loose like a busted windmill in the guise of the dramatist. Ulrich Wildgruber in both roles has the charm of a lumbering, stage-struck groundling at the Globe Theatre.

The Bochum production of Lorca's *Don Rosita the Spanzer* (*Don Rosita bleib ledig*), under Augusto Fernandez's direction, fared slightly better with the public.

The stage design (Fernandes and Hans-Peter Schubert) with

its candle-light bulbs and reflecting mirrors, the costuming and lighting as well as an arresting prologue of women in white linen fitting silently through decorative space, promised a delicate, light hand in keeping with Lorca; then "The Language of Flowers" (the play's subtitle) gave way quickly in the first act to the familiar Bochum tonality, and the turn-of-the-century milieu evaporated in the embrace of a 1920 Berlin salon, replete with piano player.

But not even Erwin Bootz's atmospheric flicking of the key-boards could uplift the song-and-dance number of *Don Rosita* (Hannelore Hoyer) and her Urich Eckhardt, to stop selling the programme booklet under pain of withdrawing the production just before it was due to hit the boards. In a pro-and-contra format mirroring the opinions of the jurors on each selection, the sing contra vote, Dr. Irma Voser of the *Neue Zürcher Zeitung*, expressed much the same opinion. Since the festival had nearly run its course and every interested party had a copy of the collective programme, Eckhardt chose to save the production.

Ivan Nagel, in his acting position of host president of the ITI Congress, pointed to the Theatre of Nations (immediately following in Warsaw) as a sort of future Olympic Games of the theatre. He could just as easily have praised the international show of theatre combined with pantomime, dance and music at the Akademie de Kunst, running parallel with the main event: a small Olympiad played host to the world. Packed houses greeted such widely divergent performances as Cirkus Alfred (Czechoslovakia), with uproarious clown numbers; Teatr STU (Poland), a song-and-mime collage on the Phoenix to the East; the contemporary music-and-dance programme, sometimes satirical and sometimes absurd, of composer Anatol Raducanu (Romania); the stunning ballet arabesques of Veronika Pilobolus Dance Theatre (U.S.A.); and the razzamatazz hi-jinks of *The Angels of the Light* (U.S.A.).

On the boat ride on the Havel on sunny afternoon, I asked the elegant and charming International Theatre Institute where they had been in particular. To Beckett at the Schiller-Theater in the West, and to Manfred Wekwerth's *Richard III* (now in its third year) at the Deutsches Theater in the East. For a brief moment Berlin was truly the theatrical capital of the world.

Peter Stein's *Summer Folk* is also an adapted version of Gorky's play from original and related source material, uniquely conceived with a camera on the shoulder: the Schaubühne ensemble of a dozen actors move across an enveloping set from the vacation house's interior to the verandah to a birch grove, the action constantly overlapping with characters emerging and fading into perspective in subtle interchanges of mood. Paradoxically, the play is now being shot under Stein's direction in a Regina Ziegler production in the *Fraueninsel* in West Berlin's Lake Havel; he's using artificial light at night to lighten the "dramatic" mood.

Rudolf Noelte's equally unique vision of Molière's *The Misanthrope* (Hamburg Schauspielhaus) is a repeat of his Salzburg production two summers ago; a pessimistic but elegantly con-

ceived exposure of the haughty mores of the upper classes via a ruthlessly demanding, narrow-eyed, ensnared set to highlight hidden threats and emotions. The male protagonists, Will Quadflieg as Alceste and Werner Kreindl as Philinte, suit his purposes admirably in capturing nuance in word and expression, but the monotony of the female leads wear on the nerves to mar the peculiar effect of a fabled society of egotists talking past one another.

This discordant note rose in volume as the manager of the Hamburg Schauspielhaus, Ivan Nagel, was pushed by Noelte to push Theatertreffen director, Dr. Ulrich Eckhardt, to stop selling the programme booklet under pain of withdrawing the production just before it was due to hit the boards. In a pro-and-contra format mirroring the opinions of the jurors on each selection, the sing contra vote, Dr. Irma Voser of the *Neue Zürcher Zeitung*, expressed much the same opinion. Since the festival had nearly run its course and every interested party had a copy of the collective programme, Eckhardt chose to save the production.

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The Entertainment Guide is on Page 25

## Private Patients Plan. Some of the questions that are being asked.

### "Just who are Private Patients Plan?"

Private Patients Plan is one of the largest private health insurance organisations, protecting some half a million people. PPP is a non-profit-making and was founded in 1940. PPP is sponsored by the British Medical Association, the Royal College of Physicians, the Royal College of Surgeons and the Royal College of Obstetricians and Gynaecologists.

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OVERSEAS NEWS

# Karami forms 'rescue government' in Lebanon

BY HSIAN HIAZI

BEIRUT, July 1.

## Royalist Minister flees to Thailand

VIENTIANE, July 1.

ONE OF the last remaining Ministers of the former Vientiane side, which was dissolved after student demonstrations in May, has fled to Thailand with his family, informed sources said today.

The sources said that Justice Minister Khamking Souvanlay, a moderate right winger, telephoned Prime Minister Prince Souvanna Phouma today from Bangkok to tell him he had left Vientiane in a hurry on Friday night. His daughter needed urgent medical treatment and he would be away for an indefinite period.

Justice Ministry officials who visited the Minister's house in suburban Vientiane found all the family's personal possessions had gone.

Khamking's wife is a sister of Major-Gen. Kouprasith Abhay, former deputy commander of the armed forces, who fled immediately after the demonstrations, along with several other rightist political and military leaders.

Their places were filled by moderates with no particular political line or experience—effectively placing control of the coalition government in the hands of the pro-Communist Pathet Lao.

Meanwhile, the U.S. embassy here, cut back temporarily to 22 people following the occupation of a number of its premises, is waiting for a reply to a protest note sent to the Laotian Government yesterday.

The student protesters, who last May forced the closure of the massive U.S. aid mission to Laos, have laid claim to the U.S. Information Service premises, the embassy's general services office and a housing compound for American staff.

## Emergency

UPI adds from Cairo: Mr. Karami has agreed in principle to declare a state of emergency and use the army to restore order in the country following a decision to replace army commander-in-chief Maj.-Gen. Iskandar Ghannem, the Middle East News Agency said.

Quoting informed sources in Beirut, the agency said Gen. Ghannem will be replaced by Deudenne Bureau (military intelligence) Chief, Colonel Jules Bustani.

## 'Emergency may end soon'

BY K. K. SHARMA, NEW DELHI CORRESPONDENT

MRS. INDIRA GANDHI, the Indian Prime Minister, plans to end the emergency "as soon as possible" and at present does not think it will have to continue beyond two months.

Sources close to Mrs. Gandhi are explaining that she had this in mind when she decided to proclaim the state of emergency. They report that she has no plans to dissolve Parliament and that the next session will be held within two months.

This would be required in any case if the emergency is to be extended beyond the two-month period under the terms of the Constitution. But, as the sources admit, this will depend on the situation in India at the time and they agree that the Prime Minister has suspended various parts of the Constitution.

But, the sources of impeccable credentials claim that Mrs. Gandhi has done this deliberately to enable her to bring the country back to normalcy as soon as possible.

One positive result of the emergency is that the Prime Minister now knows that her future depends on bringing about quick economic reforms.

The same sources expect Mrs. Gandhi to announce a package of economic measures to be taken soon by the Government and the hope is that these will prove effective within the two-month period to which Mrs. Gandhi hopes to limit the emergency.

## Measures

These measures are being worked out in the context of the fact that prices in India are actually falling—probably the only country where this is happening. If the monsoon, which has just broken, is normal, it is likely that agricultural production will be sufficient to help the anti-inflation measure as well as to give a boost to stagnant industrial production.

Thus, Mrs. Gandhi's decision on the duration of the emergency might well depend on how successful her economic policies are. The sources say that she is conscious that her credibility will be established only if she can show she is in a position to "deliver the goods."

But the sources admit that economic policy and failures were not the reason for Mrs. Gandhi's decision to proclaim the emergency. This, they say, was due to the increasing strength of the opposition and its visible impact on the people.

Mrs. Gandhi, the sources say, felt she had to act when her political opponents realised they were gaining ground against her and were using their newly-found strength to create disorder. She appears to have been particularly alarmed at the call for a revolt by the army and the police: the sources say this seemed likely to be heeded unless it was forestalled.

## Thais, Chinese establish relations

BANGKOK, July 1.

CHINA and Thailand established diplomatic relations today in Peking, Thailand Radio announced. Thailand immediately broke diplomatic ties with Taiwan.

The announcement came as Thai prime minister Kukrit Pramo signed a ten-point communique with Chinese premier Chou en-Lai in a Peking rest-house where Chou is recuperating from a heart ailment, Thai sources said.

## AUSTRALIAN POLITICS

# Mr. Whitlam on trial

BY KENNETH RANDALL, CANBERRA CORRESPONDENT

A DISASTROUS by-election result at the week-end and the row that has blown up about Dr. Jim Cairns, the Deputy Prime Minister, have touched off an intense round of speculation about how long Mr. Gough Whitlam's Australian Labor Government can last. The Prime Minister himself is coming under widespread criticism within the party for his alleged refusal to consult the party organisation. Morale in both the party and the Government have sunk to rock bottom.

Despite it all, Mr. Malcolm Fraser, the opposition leader, has not been seen to move from his position, that the Government should be allowed to run its full term, until May 1977, unless some extraordinary circumstance arises. It remains to be seen how far his colleagues in the Liberal Party agree.

There is no doubt at all that the National Country Party, his partners in opposition, want an election as soon as possible. The first opportunity will be provided by the budget on August 19 when the opposition has the numbers to defeat in the Senate.

When the by-election tallies are complete, they will show a swing against Labor of 17-18 per cent in a constituency which the party had held continuously for 21 years. It was vacated earlier this month by Mr. Lance Barnard, the former Defence Minister, at Mr. Whitlam's urging. The Prime Minister wanted to make his first full-scale Cabinet reshuffle and was quite prepared to risk the loss of Mr. Barnard's seat at Bass, in northern Tasmania, to create the opportunity.

His attitude has infuriated party officials with an eye on rank-and-file reaction. Mr. Bob Hawke, the President of both the Labor Party and the Australian Council of Trade Unions, made his views public in the bluntest terms. Representatives of the left wing are talking about new rules requiring approval of the National Executive before a Labor politician might resign his seat, and forcing some form of

party consultation upon the leader in the timing of elections. The loss of Bass leaves Mr. Whitlam a working majority in the House of Representatives of three instead of five which at least before the Cairns affair, would have made little material difference. Despite the undoubted truth of charges that he has given the opposition a substantial morale-boost on a platter, Labor has no real choice but to accept the Whitlam gambit or find a new leader—some whom, at the moment, they simply do not have.

Mr. Whitlam's sights are fixed on a general election in 1977 or, perhaps, the end of next year. Within the next six months, he will almost certainly win approval in the Parliamentary Labor Party for the creation of an inner Cabinet of about 12 to replace the present, impossibly cumbersome system under which all 27 Ministers constitute the Cabinet. The recent reshuffle created the meretricious Prime Minister wants for the moment when the change is made.

But even now, three weeks after the event, trade union spokesmen are demanding the reinstatement of their erstwhile champion, Mr. Clyde Cameron, the former Minister of Labour, who has been replaced by Senator James McClelland with a policy of wage restraint, lower tariffs and industry restructuring, the winding-down of government subsidies for job creation, and an end to the Government's role as the pace-setting employer in wages and conditions. The union protests cannot succeed, and it is hardly conceivable that the unions really would expect a better deal by throwing their support to the conservative parties.

The shuffled Whitlam Government has yet to make its mark. Indeed, its new look has gone almost unnoticed by the electorate alongside such drama as the by-election campaign, the High Court's striking down of the Government's controversial Petroleum and Minerals Auth-

ority, and a constant tug-of-war between Canberra and the governments of the individual states. The potential is there, nevertheless, for the emergence of a more effective and efficient government than Mr. Whitlam has been able to create until now from the varied material pro-



Mr. Malcolm Fraser

vided by his party. Its first test will be the budget, which must do something positive about reducing a 17 per cent inflation rate and reviving a private sector which is limping along in a state akin to shell-shock.

The signs are that a majority of the new cabinet accepts both points, though working them out will almost certainly create more friction with the trade unions and the Left-wing. After 21 years of parliamentary and inter-government wrangling, Labor sees its national health scheme, Medibank, launched this week with the grudging acceptance of all those states which previously opposed it. Moreover, for the time being at least, the more militant unions seem prepared to try wage

indexation, the cornerstone of the Government's income policy. Whatever else, the Labor Government needs time if it is even to hope to survive at the next polls. Until this week, it could hope to get it because Mr. Fraser judged that time is just as important to him in whipping the Liberal Party into shape. His approach to the leadership has been unusually low-key, reflecting both the need to damp down factionalism and the absence of strong policies to promote.

The Liberal Party, reputedly swimming in money, is undergoing an extensive shakeup of personnel on the organisational side but has yet to come to serious grips with policy under Mr. Fraser's leadership. His accession three months ago has encouraged those who would have the party turn more purposefully to the right and those who, irrespective of ideology and policy, want to get rid of the Labor Government by any means at the first opportunity.

In a curious way, both leaders have had their hands strengthened by the Bass result. Mr. Fraser, of course, is the more obvious winner. The massacre as it is being called was his first campaign test as leader. Even though it will generate new pressure for an election, that he does not want, it has given him the status and authority to handle the situation.

Mr. Whitlam's failure to stem the tide in Bass has forced his colleagues to an overdue confrontation with the costs of survival he will not be sorry about that.

In July there will be a second chance to test the political air with general elections for the State Parliament of South Australia, where Mr. Don Dunstan, Labor's second-best known asset, rules as Premier. The odds strongly favour the return of the Dunstan Government. If the result goes the other way, Mr. Fraser might finally be convinced that, despite his own problems, there is, indeed, no point in delaying his chance to become Prime Minister.

## Deputy Prime Minister may be sacked

BY KEN RANDALL

THE AUSTRALIAN Government faces the prospect this week of seeing the Deputy Prime Minister, Dr. Jim Cairns, sacked in disgrace from the Cabinet. A month ago, Dr. Cairns was removed from the Treasury portfolio for what the Prime Minister, Mr. Gough Whitlam, con-

sidered to be an error of judgment in trying to raise huge petro-dollar loans outside the Government's official channels.

This time, Dr. Cairns faces the far more serious allegation that in his secret dealings he committed the Government to a brokerage arrangement with

a private intermediary and then lied about it to Parliament.

Mr. Whitlam to-night released the text of a letter, allegedly signed by Dr. Cairns, to a Melbourne businessman, Mr. George Harris, offering a brokerage fee of 0.5 per cent, for introducing the right kind

of loan funds. The letter was marked "secret" and dated March 7.

At an hour-long meeting to-night, the Prime Minister asked Dr. Cairns for a written explanation by to-morrow of the affair—and of business activities involving his stepson, Mr. Philip Cairns.

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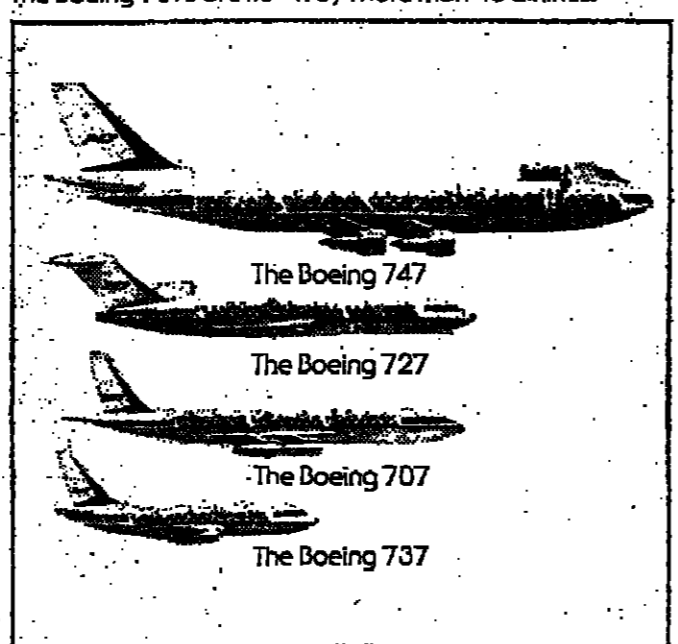
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# New IEA proposals agreed

BY ROBERT MAUTHNER

PARIS, July 1

MEMBERS OF the 18-nation International Energy Agency (IEA) today agreed on a set of proposals aimed at reviving the dialogue between oil-producing and consuming nations that broke down in Paris in April.

The plan is fundamentally the same as originally put forward by U.S. Secretary of State Henry Kissinger, but with important modifications that might make all the difference to its reception by oil-producing and developing countries.

The idea, as explained by M. Etienne Davignon, the Belgian

chairman of the IEA governing Board, is that the same ten countries who attended the abortive April meeting in Paris should resume their discussions to prepare the ground for a plenary conference. But, this time, they should make sure in advance that they can reach agreement.

The preparatory conference should agree on the establishment of three special commissions to deal with energy, raw materials and the problems of developing countries, as Dr. Kissinger suggested. But, the new

proposals make an attempt to overcome the objections raised by the producers, particularly Algeria, to the Kissinger plan.

M. Davignon emphasised that the three commissions should be of equal importance. The U.S. had insisted that energy problems be given priority and that the commissions dealing with raw materials and the problems of developing countries should be merely "monitor" the work already being done by specialised UN bodies. However, the commissions should now be allowed to fix their terms of

reference, with no subject excluded on principle, including the issue of the indexation of oil prices on world inflation.

On the face of it, therefore, two of the main producer demands—that the agenda of the conference should give equal importance to energy and raw materials and that indexation should be discussed—have been met. Their reactions, which are to be gathered by memorandum through bilateral contacts, will be examined at the next IEA Board meeting on July 23.

## 'End confrontation' call from Soames

BY REGINALD DALE

BRUSSELS, July 1

SIR CHRISTOPHER Soames, EEC Commission Vice-President for External Relations, today outlined a five-point programme for a new world economic "consensus" aimed at ending the threat of confrontation between developed and developing countries.

His proposals were regarded as particularly important by Commission officials here in the light of the forthcoming Brussels summit on July 16 and 17, at which energy and raw materials will figure prominently on the agenda.

Speaking to the Oil Industries Club in London, Sir Christopher called for a "continuing dialogue" leading to an understanding between oil consumers and producers on fair prices and stable supplies, as well as other issues of mutual concern. Secondly, agreement must be reached both on the stabilisation of the export earnings of the world's poorest countries and on the wider and more effective use of commodity agreements.

Next, the Community and other developed nations must promote industrialisation in the developing world by encouraging the growth of their processing and manufacturing capacity. Fourthly, there must be further measures of trade liberalisation, giving special weight to the needs and interests of developing countries.

Finally, Sir Christopher said, there must be an increased effort to help the poorest countries. The developed countries should also ensure adequate food supplies both through greater production in the developing countries themselves and where necessary by increased food aid. Such an action programme would cover all the central themes at issue and allow a

comprehensive and unified discussion, Sir Christopher said. All five areas were clearly "inter-linked" and artificial divisions must be avoided.

In this spirit, the developed countries should be ready to give due weight to raw materials questions and to the question of the needs of the poorest countries, as well as to energy, when we come to resume the dialogue between the oil producers and consumers," he stated.

In the course of the dialogue, the Community should be ready to discuss the problem of the real value of the oil producers' earnings. Sir Christopher said, as half the argument was about purchasing power. But this did not mean that indexation of oil prices was the answer, as it would pose many difficult problems, particularly the problem of fairness to all those affected.

The developing countries, too, must rise to the challenge of the new world economic order, Sir Christopher stressed. "Above all, they must understand that solutions cannot be imposed on the basis of block voting in the United Nations or by seeking to erect a system in which all the rights belong to one group of countries and all the obligations to another."

In the months of international debate that lay ahead, the nine must not act separately but as a community, Sir Christopher said. But he emphasised that the 68 per cent, who voted Yes in the British referendum were not voting for some "idealistic blueprint" of Europe. His remarks, perhaps unfortunately, coincided with today's publication by the Commission of a 68-page report on the distinctly "idealist" concept of European Union.

## U.K.'s positive view towards the EEC

BY MALCOLM RUTHERFORD

MR. LEO TINDERMANS, the Belgian Prime Minister who is on a fact-finding visit to Britain, said yesterday that he had discovered a new British spirit towards the European Community since the referendum which he was convinced would turn into a completely new attitude within the next few months.

The British, he said, were much more critical of the Community—in the sense that they were continually asking questions—than some other member nations, but they were also more positive.

Mr. Tindermans was speaking at a London press conference before going on to sound out opinion about the Community in Edinburgh and Cardiff. He has been charged with producing a report on European Union for the meeting of the nine heads of government next December.

On the controversial question of economic and monetary union, which the British Government has strong reservations, he said that at least "everyone was agreed that we have to do something in common." He had talks with senior ministers on this and other subjects on Monday.

The British, he felt, were also becoming more positive about direct elections to the European Parliament, on which the Government's position is still officially reserved.

Mr. Tindermans admitted, however, that he had found a strong reaction in Britain against the idea of a European defence policy. The idea was raised for the first time at this level in the paper submitted to him last week by the European Commission which will form one of the bases of his own report.

The British resistance is likely to have been led by Mr. James Callaghan, the Foreign Secretary, who even more than Mr. Wilson, the Prime Minister, is firmly opposed to any development which could loosen Britain's ties with the U.S. Mr. Tindermans said simply that defence co-operation was a problem and he had not yet decided whether his report would discuss it.

On the purpose of his mission, he said he was asking three main questions:

- What common policies do we want and what do we want to do together?
- How do we see the role of the Community institutions and the relationship between them?
- What is the objective of European union?

Mr. Tindermans agreed that European union had not yet been properly defined and declined to venture a definition of his own at this stage, though he said that his final report must be very clear about this and say in which directions Europe can develop.

He has already made similar visits to Ireland, Holland and Luxembourg and will be visiting the rest of the Community as well as holding more or less running consultations in Brussels.

## Pressure on Fanfani to resign abates

By Anthony Robinson

ROME, July 1

THE INFINITE complexity of internal politicking within the Christian Democratic party reached a new height today as leaders of the various factions held a frenetic series of meetings, telephone calls and bargaining sessions between themselves and with the secretary of the party, Sig. Amintore Fanfani.

The formal meeting of the party central committee, originally called for 10 a.m., started at 11 p.m. to allow time for a brief cabinet meeting and meetings of the various factions. When the committee finally met it adjourned after one hour until later this evening after a speech in support of Sig. Fanfani's line by right-wing party veteran Guido Gonella. At this stage, however, it is clear that the Right wing of the party has been widely discredited by the election results, which the party lost two votes on its Left-wing for every one vote it picked up on the right and that massive and unexpected gain for the Left-wing parties which constituted the principal shock and stimulus for that radical change within the CD party which is now manifesting itself.

Nevertheless, Sig. Fanfani's belated and somewhat veiled admission at yesterday's meeting that his original reaction to the party's defeat, that is to say his proposal for a re-constitution of a four-party Centre-Left formula, was unrealistic, does appear to have toned down the demands for his immediate resignation. It implies that the alliance between Sig. Fanfani and Premier Aldo Moro will hold.

The Left-wing factions, who resigned from the central committee at yesterday's meeting, continue to ask for his head, but the consensus of opinion within the party as a whole is that he should be allowed to stay until the congress this autumn.

This does not mean that Sig. Fanfani's long-term position is any stronger, however. The idea behind the Centre-Left formula was that the grass-roots demand from the base of the party for fundamental changes has the widest possible expression. In this way the party as a whole hopes to retrieve its contact with the real life of the party and the country which is essential to the democratic vitality of any party and which the CD has progressively lost through the increasingly closed and corrupt manipulation of power of the last few years.

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What is the objective of European union?

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## New clashes in Cyprus threat

By Our Own Correspondent

NICOSIA, July 1

THE TURKS today stopped the expansion of Greek Cypriots from the North of the island but continued to make threats to take fresh military action to "free" Turkish Cypriots in the South.

Turkish Cypriot leader Rauf Denktaş, speaking before leaving for a tour of Arab countries, said the expulsions had been "suspended" following an agreement by the Greek Cypriot authorities to allow some 50 Turkish Cypriots from Paphos, western Cyprus, to move to the Turkish-held North.

Turkish Cypriot radio "Bayrak" said openly today there was a danger of new clashes. Turkish troops were ready to launch a new offensive to "liberate" the 10,000 Greek Cypriots living in the South, who, the broadcast claimed, were being oppressed.

President Makarios today called a joint meeting of his cabinet and his "National Council" to discuss the situation. A Government spokesman said Turkish forces had been carrying out extensive land, air and sea exercises and preparing for "fresh military action."

Herr Brandt will explore ways in which future bilateral govern-

## Soviets cut foreign income of Jews and dissidents

MOSCOW, July 1

SOVIET Jews and dissidents will lose nearly half their current incomes from abroad to a new tax according to regulations published today.

The regulations, disclosed for the first time since the tax was announced on June 6, require Soviet citizens to pay 30 per cent levies on incoming foreign currency from the first of next year. Recipients must also pay to the Foreign Trade Bank 35 per cent in fees to receive the money. The tax will therefore cut the remaining 65 per cent by nearly half, leaving 35 per cent for every \$100 sent.

However, an extensive list of exceptions makes clear that the measures are aimed at dissidents, particularly Jews. Nearly every category of money sent from abroad—such as authors' royalties, inheritances and gifts from Soviet officials—are excluded. The list leaves only money gifts sent from friends and groups.

Western diplomats said the majority of such cases are Jews who are being supported by groups. Also affected will be friends of exiled author Alexander Solzhenitsyn who have acknowledged that the writer is aiding them with some of his royalties.

No mention of the tax has been in the wide-circulation Soviet Press. The tax and the Parliamentary approval of the measures have been disclosed only in limited circulation government journals.

The announcement of the levy raised alarm in dissident circles because most activists lose their jobs. Dismissal is automatic after applying for permission to emigrate to Israel.

Soviet Jews contend that official persecution has increased since a trade agreement with the U.S. collapsed at the beginning of the year. The Soviets rejected the trade agreement after the U.S. Congress tried to still demands for Soviet Jewish emigration. The Soviets have long denounced the practice of Jewish groups sympathetic to Soviet Jews sending them hard-

currency after they lost their jobs. Soviets 'getting money from abroad are often able to exchange the funds, using legal means for Soviet currency at about eight times the official exchange rate.

Mr. Solzhenitsyn made an impassioned appeal at a banquet in Washington last night against appeasement of the Soviet Union. The author, in his first public appearance since arriving in the U.S. two months ago, said "I to slow down the process concessions and help the process of liberation."

The banquet, which was sponsored for him by the American Federation of Labor Congress of Industrial Organizations (AFL-CIO), was attended by about 3,000 people.

Mr. Solzhenitsyn said that genuine it required three conditions: an end to oppression inside the Soviet Union, freedom of political expression that could guarantee détente and an end to ideological warfare.

Mr. Solzhenitsyn drew a star in the end of his minute speech, but he appeared to perplex his audience he condemned Communism, called the 1972 Vietnam treaty the European Security Conference and even the darling of the U.S. trade union movement—former President Frank Roosevelt.

He condemned Western capitalists for providing what he called a clumsy Soviet economy with the assistance it needed to survive and oppress its people. Agencies

responsibilities in Berlin, arrangements for a follow-up review.

Final reminders of the committee that it requires four weeks to make the necessary sum preparations, but a squeeze three weeks would be sufficient. Western negotiators said that on the other hand there will be difficulties in the negotiations in the six official languages and then having to compare all the translations. The West refuses to fix a date as long as these questions remain because they believe Moscow would refuse to make any further concessions. The Co-ordinating Committee is to meet again today.

These include the prior notification of military manoeuvres, a clause upholding four-power to-day.

IN A VISIT discussed in advance with the Bonn Government, the West German Social Democratic Party leader, Willy Brandt, today begins his first trip to the Soviet Union since he stepped down as Chancellor more than a year ago.

The object is not only to help prepare for a new impetus to the stagnating relations between the two countries, but also to sound out the Soviet leadership on topics including the European Security Conference, and especially the evolving events in Portugal.

The range of Herr Brandt's talks and the importance of his discussion partners—in particular party leader Leonid Brezhnev—underline the well-known unique position the SPD leader has managed to forge for himself in Western Europe. He has emerged as a kind of unofficial Foreign Minister, boosted by his prestige as architect of the Ostpolitik, yet unburdened by the need to speak and act as the direct representative of Government.

There has been every sign that both Chancellor Helmut Schmidt and Foreign Minister Hans Dietrich Genscher support the role Herr Brandt has taken upon himself—and that the SPD leader's recent talks in Greece and Yugoslavia as well as his contacts with Social Democratic parties throughout Europe have served as a valuable extension of the conventional foreign ministerial apparatus. The danger of crossed lines has thus been avoided—up to now.

Neither economically nor politically have Bonn-Moscow relations developed as well as had been hoped in the wake of Herr Schmidt's Moscow visit last October—less because of continuing difficulties over West Berlin and interpretation of the four-power agreement.

Herr Brandt will explore ways in which future bilateral govern-

ment talks might best make progress in both these areas—and is expected to stress that repeated Soviet and East German pin-pricks on the Berlin issue are in direct contradiction to that cause of security and co-operation which Moscow claims to espouse.

On the security conference itself, Herr Brandt will urge on Mr. Brezhnev that the proposed Helsinki summit, gathering in the situation in Portugal and Soviet intentions there, Herr Brandt is expected to stress the special importance Bonn attaches to the development of the Portuguese democratic institution and the danger it sees for Western relations in the event of an extreme leftist seizure of power in Lisbon.

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LABOUR NEWS

# Transport workers vote for social contract

BY LORELIES OLSLAGER IN BLACKPOOL

THE TRANSPORT and General Workers' Union yesterday gave the Government a much-needed boost by calling for a revamped social contract—unaware that at the same time Mr. Denis Healey, the Chancellor, was preparing his Commons announcement on pay and dividend restraint.

The vote in favour of the social contract at the union's conference here was taken only 31 hours before the Government closed his plans in the Commons.

The union's resolution firmly stated that in supporting the contract the conference was in "total opposition" to any form of statutory wage control and was seeking to maintain the principle of free collective bargaining.

Ironically, the outright rejection of statutory wage control was written into yesterday into the original pro-contract resolution submitted by the national executive. "This was done to make support for the social contract more palatable to wavering members on the conference floor and ensure the greatest possible majority for the resolution."

In trying to ensure continued union support for the Government, Mr. Jones may now find that he has to oppose it more strongly than he would like to on the question of statutory controls.

The conference went on to endorse the proposal of Mr. Jack Jones, general secretary, that wage rises in the coming 12 months should be given in the form of flat rate increases to help the lower paid.

Mr. Jones has been urging that in the interests of social justice the earners of very high incomes should in effect accept a cut in pay.

After hearing about Mr. Healey's announcement, Mr. Jones made it clear that the union's opposition to statutory control would continue.

The union had had assurances from the Government that there would be no statutory policy. Other ways and means of enforcing Mr. Healey's plans would now have to be discussed with the Government.

Mr. Jones was clearly taken by surprise at the speed of the Government's action, as well as by some of the elements in the package. But he said that he continued to stick by his remarks in a speech in support of the movement he made in the morning.

He had told the conference that the unions "must help to keep this Labour Government in office and stand by it during this terrible economic crisis."

Working people were "under attack not from the Government, but from people who wanted to bring that Government down and 'put reaction firmly in power'."

They were under attack from growing unemployment, a threat that could be met only by united action between the Government and the trade union movement.

The unions must for some time moderate wage claims and settlements and the Government must enforce stricter price controls. The social contract must become not just a workers' charter, but also a housewives' charter by getting prices down and increasing the value of the pound in the pay packet.

Mr. Jones made clear once again his fears that the Government might be replaced by a coalition of Right-wing Labour MPs and the Conservatives.

"The dangers are very great indeed, the circumstances (including the betrayal) of 1931 could happen again... do we want this to happen?"

There were people, including a few in high places, ready to "stick the dagger into the heart of the Labour Government."

If Labour was ousted by a coalition now it would never be allowed to return to power.

Mr. Jones repeated that in return for wage restraint the union movement wanted the Government to take a number of measures, including stricter price and dividend controls.

The Government had already

# Fire union expels sanction breakers

BY OUR OWN CORRESPONDENT

TWELVE FIREMEN at Huntingdon and Peterborough have been expelled from their union for carrying pocket "bleepers" during sanctions imposed over their three-month pay dispute.

The Fire Brigades Union said yesterday: "They have been deprived of their union cards and we no longer represent them. The discipline was imposed because they refused to comply with a ruling that communications should be handed in capital's 300 appliances are off so they would not be in 24-hour contact with headquarters."

There will be talks this week between the FBV and the local authority employers on the union's demand for an interim increase for all 27,000 firemen in advance of their next annual deal due in November.

Meanwhile the "emergency" sanctions are affecting London where some 70 of the capital's 300 appliances are off the road.

# State aid to job movers ignored—Government

NOT ENOUGH people seem to be taking advantage of the national Employment Transfer Scheme to get jobs in new areas, in spite of rising unemployment, the Government said yesterday.

The scheme gives financial aid—over £1,000 in some cases—to the unemployed and people facing redundancy who move home to take new jobs, providing certain conditions are satisfied.

In the last 12 months, in spite of the economic situation, fewer than 15,000 people had used the scheme, but more than 42m. had paid out in aid to cover travelling, lodgings and moving house.

East and North Scotland proved the most popular destinations for workers taking new jobs under the scheme. Figures for the last financial year show that 3,147 people moved there, followed by London (1,715), Southern (1,512) and East Pennine (1,050). Only 451 people moved to jobs in the South East.

While East and North Scotland proved the biggest attraction to migrant job seekers, it also provided the largest number of job movers—2,825 in the last year, although more moved to jobs within the area.

# ICI skilled men vote to return

By Our Labour Staff

CRAFTSMEN at ICI Wilton, Teesside, voted yesterday to return to work to-day, joining 9,000 production workers who called off their strike on Monday.

With industrial action at other ICI plants also ended, the way has been smoothed for formal acceptance of ICI's revised 26 per cent. pay offer to its 57,000 manual workers.

Wilton is expected to be back to normal production within days.

But the Wilton craftsmen passed a resolution calling on union leaders to negotiate with ICI separately in future to avoid being tied to a national level pay claim that they feel is largely determined by unions representing less skilled men.

# Steel pay deadlock as furnacemen reject 24% offer

BY CHRISTIAN TYLER, LABOUR STAFF

PAY TALKS between the British Steel Corporation and the National Union of Blastfurnacemen broke down in London yesterday only a few hours after the Chancellor's announcement on wage policy.

The NUB, representing 15,000 BSC workers, is seeking a pay rise of 35 per cent. and appears to have rejected yesterday a 24 per cent. offer in line with rises agreed by most of the Corporation's other 115,000 manual workers.

During the seven hours of discussions, news of Mr. Healey's statement filtered through to the negotiators, but it is not clear what influence it had on the discussions. BSC said that no further meetings had been arranged.

Other BSC workers have accepted rises lifting basic rates by 24 per cent. above a year ago. About 14 per cent. of this is "new money," the rest being the value of threshold money already paid and now consolidated into rates.

The other BSC deals will run for seven months initially and be reviewed at the end of December, taking into account the movement in the cost of living by then. This review, in turn, will be the subject of 12 months' would of course be subject to the voluntary or statutory pay policy that emerges following the Chancellor's warning yesterday.

# Strikes make 7,000 idle

By Our Midlands Correspondent

PAY STRIKES at component suppliers have made almost 7,000 British Leyland car workers idle. All Jaguar production has been suspended at Coventry, with 2,500 laid-off, while Triumph is with-out saloons and smaller sports cars.

At Oxford, Navi production has been stopped, with 800 laid-off—

an aftermath of the recent pay strike at the Llanelli Pressings subsidiary.

Another pay strike by 800 employees at Alford and Alder, a Hemel Hempstead subsidiary supplying front suspension and other components, takes the total laid-off at Triumph factories to 3,100.

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# Fleet St. troubles 'threaten Press'

FLEET STREET must solve its "alarming" overmanning and curb potential union power to censor news or face possible Government intervention and a seriously undermined free Press, Sir Michael Swann said last night.

The BBC chairman told the Royal Society while delivering the Goodman lecture in London that there were "conspiracies of silence" over print unions censoring news and overmanning on the print side.

Two factors could bring about a change in society's relatively stable relations with the Press. They were: Fleet Street's "shaky financial basis," and the potential power of a handful of unions to determine what was or was not printed.

On the print side, Fleet Street had an alarming degree of over-

# Rises for supermarket staff in pipeline

ADULT FULL-TIME staff of Britain's main supermarkets could get rises of at least £3.45 a week from August 4—with increases of £4.40 for department heads and £5 for shop managers—under a proposed settlement between the Union of Shop Distributive and Allied Workers and the Multiple Food Retailers Association.

Union members employed by Tesco, Fine Fare, International Stores, Liptons and other leading grocery chains are being asked by USDAW negotiators to accept the pay deal, which brings forward the date of the settlement from November to August.

The new minimum proposed rates for shop staff are £29 for a standard 40-hour week. Last November the union settled for increases which brought the lowest-paid staff up to £25.80, but because of the rise in the cost of living and other factors, the union for Co-op chain stores and apartment store staff the union insisted that pay also had to improve this summer for multiple grocery workers.

The £29 minimum would apply to the lowest-paid staff in rural towns with higher rates paid in London. New rates

# Talks on ITV pay to-day

By Our Labour Staff

MR. BRIAN YOUNG, director-general of the Independent Broadcasting Authority, will meet Mr. Tony Hearn, general secretary of the Association of Broadcasting Staffs, to-day for discussions on a pay dispute.

Negotiations continued yesterday on the claim for a 25 per cent. pay rise for 3,000 transmitter technicians. They have been offered 23 per cent. by the employers.

# Cabin crew shun Concorde

BY OUR LABOUR STAFF

BRITISH AIRWAYS stewards Stewardesses from other airlines such as Air India, Singapore Airlines or Gulf Air in aid the Concorde when it takes a programme of proving its safety from Heathrow airport, BA and British Aircraft Corporation, next week.

The cabin staff are in dispute with BA over the number of duty hours aboard the supersonic entry into commercial operation early next year.

# Talks on hospital dispute

TALKS will be held to-day in an attempt to end a dispute between the National Union of Public Employees and the Queen Elizabeth Hospital, Exeter. Mrs. Audrey Callaghan, wife of the Foreign Secretary, who is chairman of the Board of Governors of the hospital, is in Exeter because of night attacks by liquis and drunks. The hospital workers want extra

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## HOME NEWS

## Positive signs of recovery in house building

BY MICHAEL CASSELL

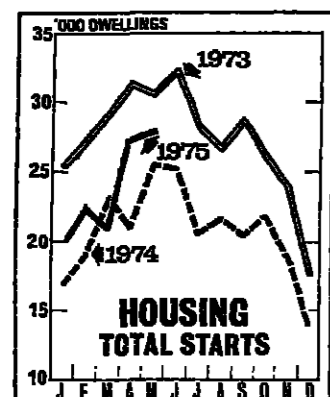
THERE ARE now positive signs that house building activity is again expanding after one of the worst recessions on record. Only days after figures which showed that the value of housing contracts now being placed was improving substantially, more statistics from the Department of the Environment confirm that current work levels are already improving. At this stage, the figures can only be taken as a sign that the housing sector has clearly "bottomed out" but the extent of the apparent recovery remains to be seen.

According to the Department, the number of homes on which builders began work during May

against 14,700 six months earlier. As far as housing completions are concerned, May was another reasonably buoyant month. Another 26,000 homes were added to the nation's total housing stock during the month, again a repeat of the April figure and an improvement over the preceding few months. Council house completions rose marginally in May to reach 13,000 while the number of private homes finished stood at 12,000—the same as in the previous month but better than in the earlier months of the year.

So there is now some evidence that builders are stepping up output particularly in the private sector. A continuing flood of money into building societies and signs that perhaps mortgage finance might in future flow more smoothly may well be a major factor behind the upturn, coupled with evidence to show that for the first time in well over a year average house prices are beginning to move.

Builders have been selling off existing stocks and only starting sufficient houses to keep business operational. While they have until now been unable to reflect costs in prevailing market prices, the situation for them is clearly improving and prices this year could show a substantial increase over 1973.



rose to its highest monthly level since September 1973, so maintaining the brighter outlook which has prevailed since the beginning of the year. The May level of new starts was running at twice the rate of output recorded at the end of last year.

In the private sector, work started on 13,000 new homes, repeating the April total and again providing one of the most encouraging performances for many months. The number of council houses entering the construction stage also rose once more to 15,000 against 13,700 in the previous month, confirming the continuing healthy rate of starts in the public sector. Total housing starts reached 28,000

## Private starts

The DOE says that in the three months from March to the end of May, council housing starts were down on the previous three months and also down on a year earlier, while private starts were well up over both preceding periods. Completions in the public sector were up on the previous quarter and on a year ago while private house completions were up on the preceding three months and at about the same level as a year ago.

Other Department figures show that house renovation grants for an estimated 33,900 homes were approved in England and Wales during the March-May period compared with 23,400 in the same period a year earlier.

## Pension funds want Coats to restore 1974 dividend

BY MARGARET REID

REINSTATEMENT OF the 1974 final dividend, which the Board of Coats Patons proposes should be passed, has been underlined as the clear objective of the recommendation to pension fund managers to vote against adoption of the group's report and accounts.

In a letter to members despatched last night, the investment protection committee of the pension funds association describes the purpose of the advice to vote as recommended at the annual meeting on July 11. It is to make it evident to the Board that there is a substantial number of shareholders whose requirements and views have not been correctly interpreted by the Board and to obtain payment of a final dividend.

The move among the pension funds, which hold some 10 per cent. of Coats shares, is one of the strongest ever taken by institutional investors to force the Board of a large company to change its mind.

Current indications are that the Coats Board, headed by Mr. Charles Bell, is again having a hard look at its decision to miss out the final dividend for cash conservation and tax-saving reasons, although it was held wrong at this stage to say it was likely to be reversed.

Since the surprise dividend move was announced on May 29, there has been a series of critical comments from institutional investors, which has not been disarmed by the Board's subsequent

forecast of resumed full dividends for 1975. The Association of Unit Traders, which earlier decided provisionally to recommend members to vote against adoption of the report and accounts, meets today to finalise its recommendation.

In the letter to 120 pension fund managers, the investment protection committee of the National Association of Pension Funds makes the point that the company, in passing the dividend, to save cash is effectively forcing shareholders to make a loan to it. The move, it claims, is tantamount to cheap borrowing by the company, which should have used normal borrowing to finance the pay-out.

Concern is also voiced about whether the Treasury will allow full dividend payment to be resumed for 1975—a doubt which may be underlined by yesterday's tightened dividend controls.

But the committee is not seeking to oppose selection of any of the Coats directors. "It should be understood," it says, "that this recommendation arises purely from the Board's decision to pass the final dividend, which should be subject to a vote of no confidence in the Board of the company but is seen as the only way left open to shareholders to express their disagreement with the decision the Board felt was right in the interests of the company and of shareholders."

## More U.K. companies instal standby power generation plant

THERE has been a rapid growth in investment in standby electricity generating plant in British industry over the last two years coupled with a growing switch in fuel use, particularly in favour of natural gas. These are the main conclusions of a survey of industrial plant and energy use published yesterday by the Confederation of British Industry in co-operation with the Department of Energy.

The survey, although still based on a fairly small sample of companies, is the first detailed attempt to examine the end use of energy in the industrial field. It is already being used as the basis of further examination of the energy patterns of particular industries.

On the question of on-site electricity generation, the survey

concludes that some 24 per cent. of all electricity requirements among the companies responding were self-generated. Of the plant continuously operated, rather than used for intermittent operation, no less than 50 per cent. was installed in the last five years, the majority of it within the last two years.

About a quarter of the companies replying also revealed that they had changed their fuels in the last five years and that a similar number were contemplating doing so in the future.

Most changes had been largely from coal to oil and gas, but more recent trends and future intentions tended to show a move away from oil to gas, although precise conclusions remain difficult to draw because of the lack of figures and information to companies using more than one fuel.

The survey also gives for the first time a picture of consumer stocks of oil as well as coal, indicating a general stock level of around 94 weeks for oil and 7.8 weeks for coal, varying between industries.

On the question of the cost relationship of energy to the final cost of goods, the survey



Speaking at the first Free Enterprise Day ceremony in London yesterday, Mrs. Margaret Thatcher presented the first Free Enterprise Award to her Shadow Cabinet colleague, Sir Keith Joseph. Sitting between them, probably for the first time, was Sir John Reiss.

## Free enterprise essential for Britain's future says Thatcher

BY PETER FOSTER

FREE ENTERPRISE was an essential part of Britain's future, Mrs. Margaret Thatcher, Conservative Opposition leader, claimed yesterday.

Speaking at the first Free Enterprise Day ceremony in London at the start of Free Enterprise Week she pointed out that free enterprise provided jobs, and exports, created wealth and also provided "inventiveness and adventurous spirit for our people."

"What the country needs," she continued, "is a Government prepared to leave enough of its resources with free enterprise to invest and develop further."

Mrs. Thatcher also presented the first Free Enterprise Award to Sir Keith Joseph, the Conservative Party's chief policy adviser. Sir Keith, she said, had been given the award

because, "he had done so much to revive the philosophy and economics of free enterprise in a society with a conscience."

Both the award and the week have been organised by Aims for Freedom and Enterprise, which until it changed its name was Aims of Industry.

Mrs. Thatcher went on to say: "One of the most dangerous of modern myths is that freedom is divisible. Once the State controlled the means of production, distribution and exchange, all of us would become dependent on it."

Turning on the present Government, she asked whether it was not taking us further along the road towards the centralised State than ever before. She declared that free enter-

prise should have two main objectives: to stop State control and to start an extension of freedom. "Power to the people," she concluded, could only be provided by free enterprise and by choice, "in both the small things and in the big ones."

Accepting his award Sir Keith stressed the positive role of the entrepreneur, the "risk taker," in society. He attacked the socialist philosophy which focused entirely on wealth distribution without regard to wealth creation.

"Collectivist utopias" already existed, he stressed, but their occupants were kept at home by "minerals and machine guns."

A special free enterprise award was presented to Mr. Arne Berner, chairman of the Free Enterprise Central Organisation in Finland.

## Chemicals group shuts research unit

BARCLITE XYLONITE (BXL), a subsidiary of the U.S. Union Carbide chemicals group, has closed its central research and development establishment at Manningtree, Essex. The 82 staff were informed only hours before the closure yesterday.

The unit had been shut because of "the rapidly rising cost of research and development coupled with inflation," the company said.

The closure came within a month of the decision by Nicholas International to close its U.K. research and development unit at Slough, Berkshire, where about 120 of its scientists were made redundant yesterday. The remaining scientific staff of 50 are to go over the next 12 months.

## Relocated

In BXL's case, efforts are being made to relocate at least some of the staff. The work carried out by the central unit is to be kept within the divisions and some "key staff" are to be moved to the new location.

The divisions most closely involved are expanded rubber and plastic in the U.K. (BXL), flexible packaging (Darton, York, Shire, and Liverpool) and synthetic paper (Clacton, Essex).

Projects being undertaken by the central research and development unit included the development of new grades and applications for foamed plastics. The company was looking at improved forms of flexible packaging including shrink-wrap techniques, as well as developments of its synthetic paper material—Polypaper.

The fact that the company has decided to close the unit is indicative of the trading depression experienced by the chemical industry, particularly plastics manufacturers such as BXL, in the past six to nine months.

## Drop divisive industry plans CBI urges

A PETITION urging the Government to drop its "divisive and irrelevant" industrial policies was delivered to the Prime Minister at Downing Street yesterday.

Mr. David Mervin Smith, chairman of the Confederation of British Industry's Welsh Council, said the petition, with 48,463 signatures, was "a spontaneous expression of the mood of people in industry and commerce" and especially of small companies and middle management. It reflected "grave dissent at the consequences of present Government policies for British companies and their employees."

He explained that the idea for the petition had originated in Wales but signatures had been gathered throughout the U.K. from managers at all levels and representatives of types of industrial and commercial undertakings. People had signed as individuals rather than as representatives of particular organisations.

The petition points to the Industrial Bill, the Employment Protection Bill, the Capital Transfer Tax, and the Wealth Tax, as policies which have been "a direct cause of the collapse of business confidence."

The Bank contended that Merchandise and Investment Trust ought to have been in a separate class, and that, if it had been, the requisite statutory majorities in favour of the scheme would not have been obtained.

The judges said the votes of MIT were vital to the acquisition of the statutory majorities. The petition could succeed under section 206 of the Companies Act, 1948, only by counting the subsidiary company's votes—something they were not entitled to do.

Under the scheme, ordinary shareholders were offered 49p cash per 10p share. Hellenic's present nominal share capital was stated to be £5m, divided into one million 5p shares, of which 15m were issued and fully paid. In May, 1972, Hambros and its subsidiary acquired a 50 per cent. interest—subsequently increased to 53 per cent.

## Distillers raises whisky prices by about 7p a bottle

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

DISTILLERS COMPANY, which dominates the market for Scotch whisky, yesterday announced a U.K. price increase of roughly 7p a bottle, paving the way for an export price rise in the near future.

The Distillers' announcement on price increases—forecast in the Financial Times 10 days ago—was particularly confusing as it mentioned only that the gross wholesale price had been put up from £18.8 to £24.84 a case of 12 bottles, with "increased allowances" for trade customers.

These volume discounts have, however, been increased by 25 per cent. which, in effect, means that the average wholesale customer will be paying £19 a case more for Scotch and 55p a case more for gin (Distillers has the major brands Gordon's and Booth's). There is no increase for Cossack vodka.

Distillers, which has more than half the world trade in Scotch whisky, has been under pressure from both the British Government and its rival companies to lead the way with another export increase—the first since January 1974. "The last adjustment to the home market price gives the group some leeway, given that it would not want the U.K. and the export price to get too much out of line."

In the past few months the price differential in home and export prices has led to the development of an unofficial export market in Scotch to Common Market countries—the so-called "parallel" market, which has particularly hit Distillers and upset its overseas agents.

In conjunction with the new price increase, therefore, Distillers is asking customers to sign contracts which, while not banning the export trade, will reduce the home market discounts on the Scotch exported. This should take away the financial incentives of the "parallel" market, provided Distillers can make the contract stick.

The Scotch industry is a leader this year by Distillers and, if the Chancellor's duty increase is added, it means that the cost of a bottle of Scotch has gone up by 88p or 33 per cent. since January.

To gain this latest increase, Distillers took advantage of the May 27 amendment in the Price Code which allowed it to take into account some relief for investment in plant relating to exports.

And, ironically, a big factor in Distillers' need for yet another price increase has been the extra interest it has had to find on loans raised to finance the extra duty it has had to pay since the Budget. It is estimated that the Scotch industry as a whole has some £20m. on interest-free loan to the Government because it has to pay duty when Scotch is withdrawn from bond but has to wait for four to six weeks for customers to pay back.

Other Scotch companies are certain to follow the Distillers' lead on prices. Both Seagram (Passport, 100 Pipers) and Wm. Grant (Standfast) said last night they would be going up as soon as the Price Code allowed—that is 90 days after the previous price increase.

## April production record for beer

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THERE IS still a great deal of the 10.8m. barrels produced underlying demand for beer in during the January-April period the U.K., according to the latest of Customs and Excise statistics.

During April, the brewers rolled out 3.2m. bulk barrels (at 268 pints to the barrel) or 1.3 m. cwt. more than in April last year.

This brought the cumulative total for the first five months of the year to 11.7m. barrels, or 2 per cent. below the same period of last year.

The early part of last year, however, saw production statistics distorted by three-day working and a really huge jump in beer sales and production. This year's four-month performance was the best on record apart from last year, being well ahead of the 1973 figures.

There is a good chance that beer production could claw its way back to last year's levels, particularly as weather is a major factor in consumption and June was particularly warm.

## Slower profits growth but dividends rise

BY RON PUTLAND

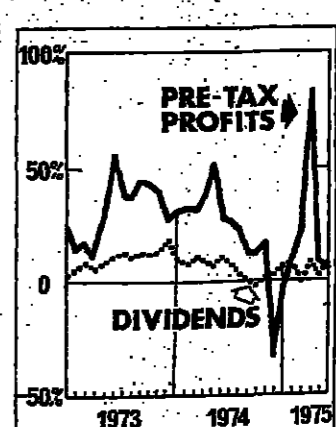
THE 4.5 per cent. rise in pre-tax profits by companies issuing full reports in June fell considerably short of the 8.1 per cent. increase achieved in May and, on the face of it, looks abysmal when compared with the 83.3 per cent. jump in April.

The April figure, however, was exceptional owing to the inclusion of two of the major oil companies.

A better comparison of the gradual slow-down in pre-tax profits of industrial companies so far this year is the 8.1 per cent. increase in profits (less the two oil companies) for the first half of this year against 33.7 per cent. for the first half of 1973.

Dividends in June showed a 5.7 per cent. increase on those of a year ago, compared with May's smaller rise of 2.5 per cent. The monthly average increase for the first half of this year of 5.1 per cent. is still well below the legislated increase allowable of 12.5 per cent.

Of the individual companies reporting last month, Boots recorded a 3.1 per cent. increase in pre-tax profits and a rise of 8.5 per cent. in dividend, while Courtaulds confounded most market seers with an 8.6 per cent. rise in dividend, the dividend went up by 8.7 per cent. Dunlop pushed up profits by



5.7 per cent., but the dividend was cut by 2.9 per cent. Furness Withy put up an exceptional performance by lifting its profits by 33.1 per cent. and raising the dividend by 9.9 per cent.

## STIPEND INCREASE FOR METHODISTS

The Methodist conference in Liverpool yesterday approved increases in stipends from September 1, giving salaries ranging from £1,860 for probationers ministers with up to 19 years service to £2,000 for more than 38 years' service.

## Today's Events

GENERAL Sterling, gold and convertible currency holdings at end of June published. National Economic Development Council meets and will discuss planning. Gingerbread, an association which helps single-parent families, will march through London and lobby Parliament. Mr. Oscar Hahn, chairman of GKN fastener division, speaks on investment attitudes in British industry, to Institution of Works Managers, at Royal Society of Arts, London, 2.30 p.m. PARLIAMENTARY BUSINESS House of Commons: Remaining stages of Industry Bill. House of Lords: Debate on White Paper "Food from our own resources" and CAP stocktaking. Short debate on closing of short term residential colleges because of present conditions of financial stringency. COMPANY RESULTS A.D. International (full year). Chubb and Son (full year). Magnet Joinery (full year). Renold (full year). Gough Cooper (half year). COMPANY MEETINGS Alliance Investment, 1 Laurence Pountney Hill, E.C. 2. Ash Spinning, Shaw, 10.30. Bensons International Systems, 28, Gresham Street, E.C. 2. Brixton Estate, 2, Ely Place, E.C. 12. Flight Refuelling, Painters Hall, E.C. 12. Intercontinental Property, Winchester House, E.C. 10.30. Rowton Hotels, London Park Hotel, S.W. 12. Sainsbury (J.), Connaught Rooms, W.C. 12. Scottish Heritable Trust, Glasgow, 12. Sennebogen, Dorchester Hotel, W. 12. Sheffield Twist Drill, Sheffield, 12.15. Shellharbour Price, Surrey, 12. Transatlantic and General Investments, Three Quay, Tower Hill, E.C. 3.55. SPORT Cricketer Benson and Hedges Cup semi-finals. Leicester v. Hampshire, Leicester; and Warwickshire v. Middlesex, Edgbaston.

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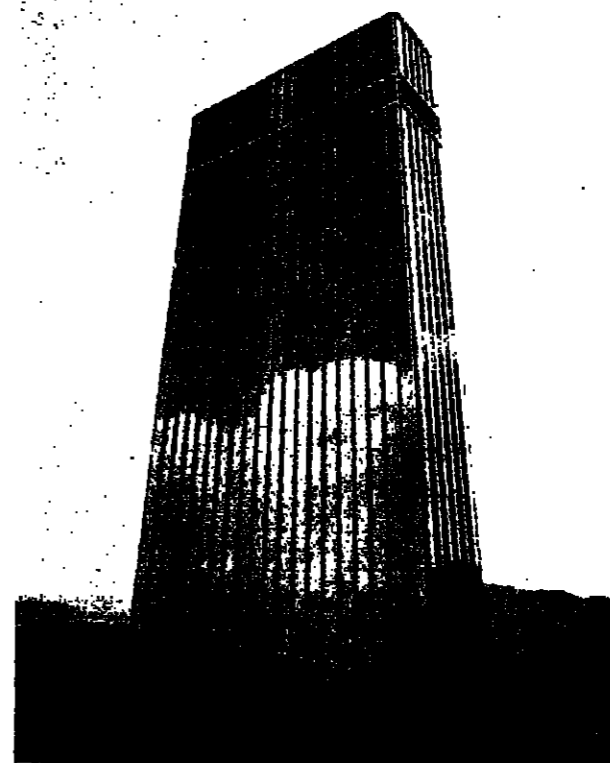
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# FINANCIAL TIMES REPORT

Wednesday July 2

## SOUTH COAST DEVELOPMENT

Blessed with fine countryside, rich agriculture and a healthy industrial and commercial life, the South Coast is not at the forefront when it comes to regional development policies. However under the surface there are conflicts. The central problem is how to balance the pressures of economic development with the need to conserve the environment which helps to attract that growth.



New traffic flyover in Bournemouth.

Veneer  
of  
tranquil  
beauty

THE SOUTH EAST of Britain has been regarded as an area of great prosperity, blessed with a beautiful countryside, rich agriculture, a healthy industrial and commercial life, centred on London, and a superb coastline. Because the problems of almost all the other regions of Britain have been frequently highlighted through Government designation for development or unemployment statistics, the image of the South East as an untroubled corner of the island remains.

This image of serene prosperity is not entirely justified by the facts, particularly perhaps along the coastline which the concern of this survey is. Pressures that come from the combination of prosperity and all the other factors that sometimes work in conflict in this part of the world are causing headaches for those who have to examine the progress of the area and plan the future. The problems of conflicting interests have been brought into sharp relief as the county planners have looked down in recent months to the out of their structure plans in the 1980s and beyond.

### Pressure

The central problem is how to balance the pressures of development in terms of industry, commerce, roads and housing with the need to conserve the great attributes of an environment that acts as a magnet to those searching for a good place to live and work. Those looking for a base from which to commute to London, those wishing to retire to pleasant surroundings, and the holidaymakers and day trippers who regard the coastline as one of Britain's holiday centres, find it inevitable that between these groups there are areas where interests directly clash, and when the attitudes of the indigenous population, including an important farming community, are added it begins to surprise that this part of the world contrives to retain serenity. Travelling the coastline from Bournemouth to Brighton, one comes across the same story of conflicts of interests everywhere. Contrary to popular belief, it is by no means full employment in the South East, for famous cliffs, and that is the case in the most obvious example, has been something of a thorn in the side of Kent for some years in terms of employment. It will doubtless come as something of a surprise to many that in February of this year, according to Department of Employment figures, 3.2 per cent. of the working population of the county were out of a job—significantly higher than the national average at the time. In the Thanet town of Margate, for every two vacancies there are nine men unemployed, and in Deal unemployment is running at well over 7 per cent. Of course this is not the picture everywhere along the coast, but there are pockets, like Thanet, that have quite serious employment problems. The Kent coast is specially vulnerable, since London is close enough to pull industry to the north of the county. It is the market and the source of supply, and transport costs make the Kent extremities just a little too far, even though there is land and labour available. The holiday business has taken something of a beating in this part of the world in recent years, and even though there are clear signs of a recovery the kind of holiday places like Margate and Ramsgate cater for these days just does not require the labour needed in the past. Yet in Dover, further down the coast, where the port is thriving and gleefully taking advantage of Channel Tunnel cancellation, the pressure is a different one. Nearly all the available land has been built on by now. Any great expansion would involve moving up on to the high land above the

West Sussex county in which it lies. This area was earmarked as one of the major growth zones identified in the Southeast Strategic Plan. John Beard, Assistant County Planning Officer in West Sussex County—busily getting to grips with his own structure plan—acknowledges the inbuilt impetus for growth in the "corridor," and says his council tends to feel that while it is happy to make provision for locally induced factors it would prefer employment not to be steered positively towards the area. A concern about resources leads them to look to central Government for help.

Rapid growth of the kind this area is getting costs money, and the argument that this brings more rateable value and more rates to the county does not go down too well in a conservative county that would prefer none of its area of responsibility to be officially designated for any expansion. Also, and this ties in with the East Sussex philosophy, the regional plan shows growth concentrated in the West Sussex hinterland area, with almost none on the coast. Historically, the pattern has been the reverse, as John Beard points out, with very rapid population growth in the coastal towns and an actual slowing down in what is now designated growth area. The problems of slamming the brakes on in one area, and pressing the throttle in another, to completely swap the trends, cannot be painless.

Moving into Hampshire, the story is in some ways similar, with the South Hampshire Structure Plan earmarking important hinterland areas for expansion, but envisaging significant continued growth of the Southampton-Portsmouth complex as well. This area is the greatest industrial and commercial centre on the south coast, and if all goes to plan South Hampshire as a whole will be a great concentration point for important changes.

### Balance

The most obvious example of this intention is Hastings where the former Borough Council, now a district, initiated a Town Development Scheme under the GLC nomination system. The aim is to add 18,000 people by 1976. Industry is being attracted, the Civil Service, for instance, is taking office space, and the clear intention is to restore a population balance less heavily weighted to the retired and make up for lost tourism ground. Eastbourne, without giving quite such formal expression to it, has a similar approach, though tourism is somewhat healthier there, with developments like the marina likely to go ahead.

For Brighton, the structure plan policy is clearly restrictive, and Michael Parker, Assistant County Planning Officer, makes no apology for this. He believes there should be a limit on new employment in the Brighton area and says there would be "too much pressure on available resources in terms of land, housing and infrastructure." In Brighton, tourism is not as important as service industry, and office development has therefore obviously been pursued here, with 900,000 square feet currently in the pipeline. With its university and polytechnic, Brighton is also an education centre and caters for many foreign students, too. Michael Parker acknowledges that the stated policy for Brighton must be constantly reviewed. "If there is an adverse effect on Brighton and Hove we must adapt accordingly," he says.

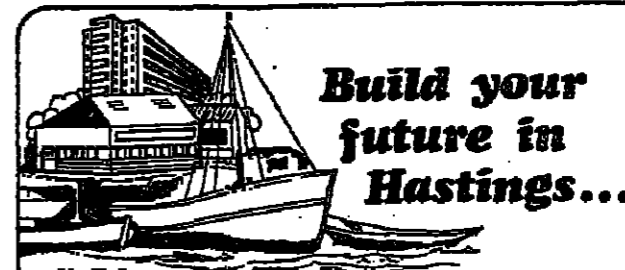
One of the problems for the future in this area is that Brighton, in East Sussex, is administratively cut off from the great expansion area of Crawley/Gatwick, which must have such a bearing on its future. This "Brighton Corridor," as it has been called, poses great problems for the

coast are suddenly experiencing an upsurge. The planners, of course, refuse to be deterred by this, and Michael Parker in East Sussex regards it as an ideal state of affairs. "We don't want a situation in which one is going down as the other comes up," he says. "We want a healthy balance."

This problem of balance is emphasised by the huge retirement population in Sussex. In Bexhill, under 1971 census figures, no less than 44 per cent. of the population were in the retirement age group (65 for men, 60 for women). The national average is 16.2 per cent., and Bexhill is no isolated case on this coast. Worthing has 37 per cent., Hove and Eastbourne 33 per cent. each, Bognor Regis 30 per cent., and even Hastings had 29 per cent. in 1971.

All the authorities are keen to make it clear that there is no sense of "not wanting" the retirement population—Bexhill would have become a ghost town without them, I was told. But the excessive imbalance produces problems in some areas. There are not enough young people to look after them, for instance, and it is thought the wives of incoming industrial workers would be ideal for this job. Unfortunately the retirement population, as well as the commuters, have been partly responsible for inflating house prices in the areas of imbalance out of range of the industrial worker. So here is another problem.

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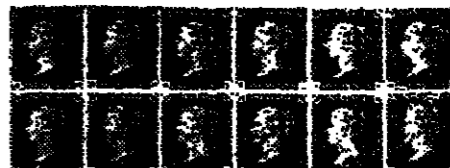
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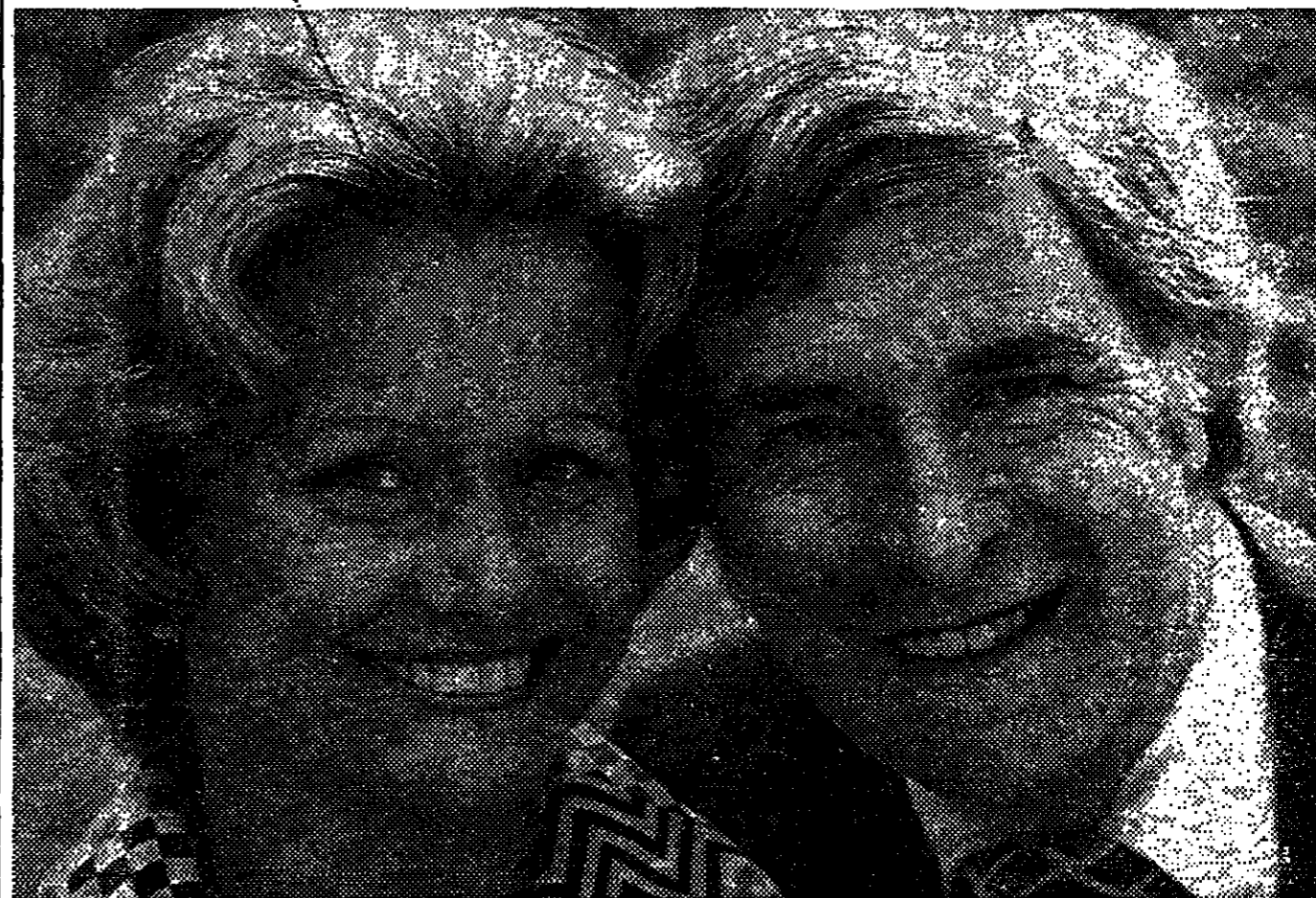
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# Prosperous ports

A PRIME source of the south coast's prosperity and importance is its sea trade with Europe and the rest of the world, notably through Southampton. Apart from this trade basis, now given new impetus through Britain's EEC membership and the development of roll-on/roll-off and container systems, the tradition of a tremendous traffic in people, and in more recent years cars, across the Straits of Dover makes this place of coast Britain's most effective door to its European neighbour countries.

The port of Southampton is one of the premier ports of the U.K. and, in terms of cargo value handled, is second only to London. Southampton Water, deep, broad and sheltered, is one of the finest natural harbours in the world. Apart from the well publicised aspects of its life—the traditional connection with the great liners and the huge oil tanker traffic—Southampton has established a good, solid international trade dealing with cargoes of all types.

Major capital investment programmes have been undertaken

in recent years, with the Western Docks extension taking pride of place. This provided 1,494 metres of quay with a large area of back-up land primarily to serve the container traffic. Similarly, the Eastern Docks were provided with four roll-on/roll-off terminals to cater for the second new development in sea trading techniques.

## Cargoes

Principal cargoes are oil, fruit, refrigerated cargo such as meat and dairy produce, grain, wool, vehicles, wine and bananas. There is a near balance of import-export trade coming in and going out of Southampton Docks, with 2.3m. tonnes of imports and 2.1m. tonnes of exports in 1974. Crude and refined petroleum brought another 17.3m. tonnes inward, and 6.5m. tonnes outward. Container facilities handled over 244,000 20-ft. equivalents, and ro-ro facilities handled nearly 500,000 vehicles. In addition, over 1m. passengers landed at Southampton, and a further 1m. embarked

from the port. Dover, the south coast's other premier port, bases its importance mainly on passenger traffic and ro-ro services. Indeed, if one includes car traffic this is the biggest ro-ro port in the world. It is also the biggest British entry and exit port or airport for people apart from Heathrow, and by value of goods the third largest port in the country.

At the height of the season a ship departs every 25 minutes, 24 hours a day, and there is a shipping movement of some sort every 15 minutes. British Rail, and its French equivalents, plus Townsend Thoresen, operate here as well as BR's Seaspeed hovercraft, serving France and Belgium. Last year 5.5m. passengers, 1.25m. cars and 250,000 ro-ro vehicles passed through Dover.

The port authorities and the operators were very relieved by the Channel Tunnel cancellation, though there are those who believe that with pressure from Britain's European partners the cancellation can be only temporary. Be that as it may, a report commissioned by the Government and Kent County

Council showed that Dover roadstone and gravel as well as might lose 2,000 jobs as a result of the tunnel, and even if, as go-ahead little port recently seems likely, those jobs would have been won back eventually through increased traffic, a temporary loss on that scale would have caused difficulties. One of the interesting aspects of post-Channel Tunnel Dover is the new faith being expressed in hovercraft as the key to expanding traffic in the future. In this connection what applies to Seaspeed at Dover should apply to Hoverlloyd at Pegwell Bay. These operations seem likely now to go from strength to strength.

Of the other two cross-channel terminals, Folkestone and Newhaven, the former enjoys the greatest traffic, again through Sealink services to France and Belgium. Nearly 1.5m. passengers, almost 100,000 cars, and over 30,000 ro-ro vehicles passed through Folkestone last year.

## Shoreham

The other BR port, Newhaven, has a fair international cargo traffic as well as its link with Dieppe. Last year nearly 1m. tonnes of imports, over 120,000 tonnes of exports, and more than 550,000 passengers passed through the facilities. National Carriers Ltd. are developing European parcels services through the port.

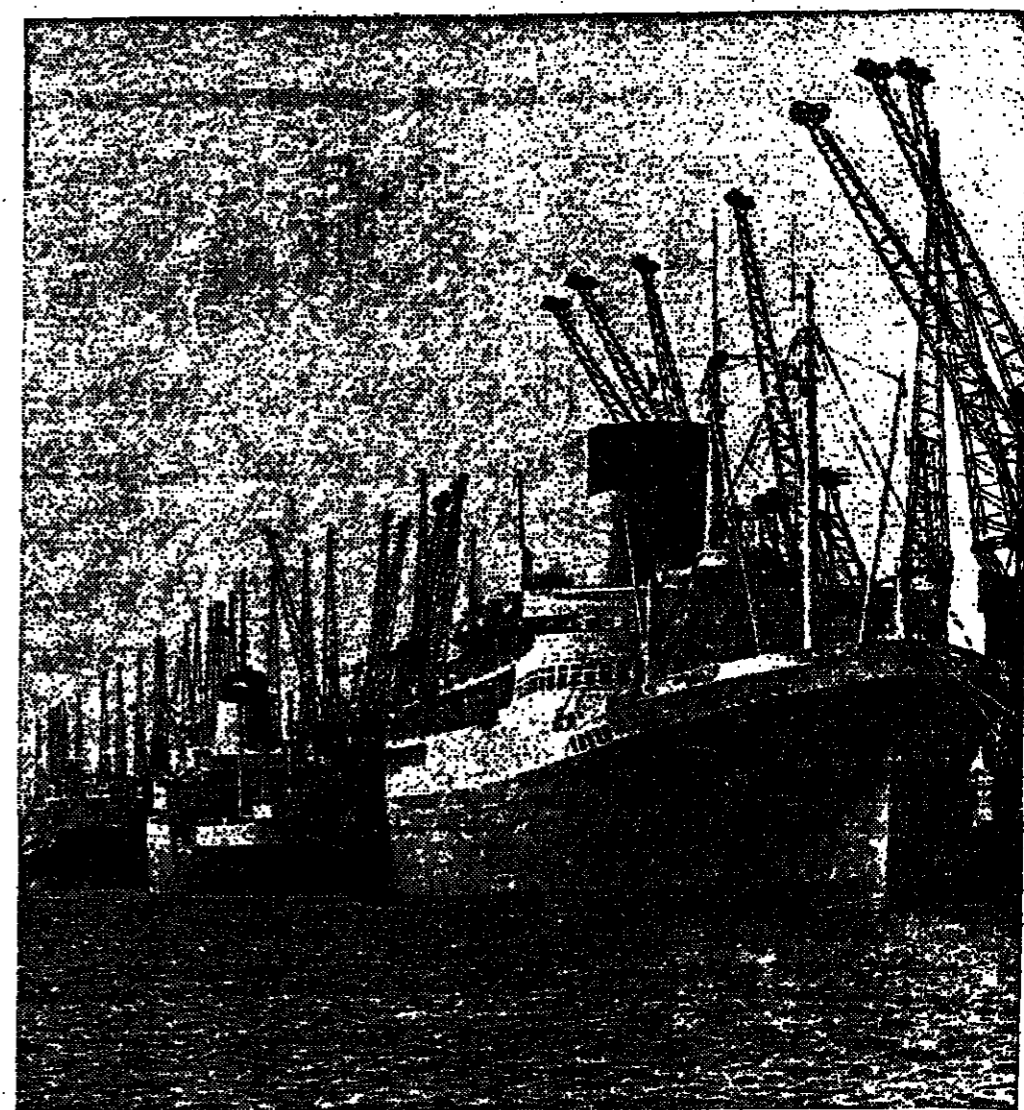
A port that cannot be discounted along this coastline is Shoreham in West Sussex, which has the distinction of being Britain's leading wine importing centre, and fourth largest timber terminal. Specialising in bulk cargoes, much of the tonnage is actually coal for the local power station, but nevertheless the 2.4m. tonnes imported last year included

refining and chemical facility at Fawley springs immediately to mind in this connection, but IBM manufacture at Havant, and other foreign-based companies include AC-Deico, Pirelli and Mullards.

Of the other major centres of employment along this coast, Brighton is not so much an industrial centre as a service industry base. American Express has just taken 300,000 square feet in the town, but in terms of manufacturing industry both the trends and the plans indicate a concentration in the Gatwick-Crawley area, with the pressure being taken off Brighton, which has a shortage of the right kind of labour and rather stretched resources anyway.

Progress is now being made, however, on the M2 to Dover and the M20 to Folkestone, the two most urgently needed roads in the area. Many question-marks still hang over the Southampton-Portsmouth area, however, with parts of the important M3, M27, and A3(M) still in the melting pot. One of the posers here is the likely effect of the M27 on Chichester, and whether the dualing of the A27 eastwards will prove to be the classic enough.

Apart from this there are several problem areas on the other major roads. Some of the ports mentioned, like



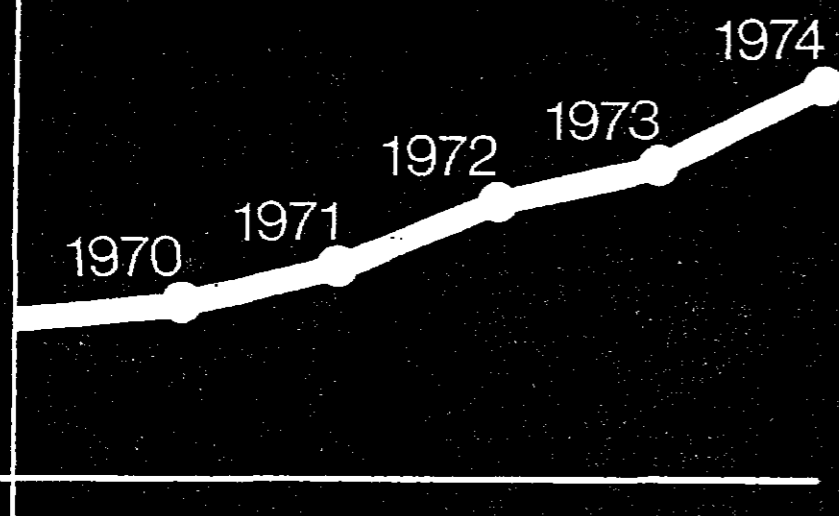
Southampton Docks.

Newhaven and Shoreham, are notoriously badly served in terms of communications. Most of the authorities in the area would like to see British Rail take greater advantage of its existing lines, improve links like Hastings-London, and bring forward electrification plans. Together with improved roads, and the addition of a few extra links to key junctions, the communications position would be much improved.

To many it is nothing short of a scandal that the ports of

this part of the world have been able to expand their container and car-ferry traffic to great extent, while the hinterland population, through which the traffic has to pass, has seen little investment going into its roads. Further argument arises, though, for there is a strong conservationist argument about roads carving through the beautiful country. Once again this is the south coast paying the price of success.

Hugh Colve



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## Pockets of industry

ALONG THE south coast of England, industrial development has been largely confined to intensely developed pockets, while other areas have seen hardly any change in their employment structures for many years. Similarly, one can find serious unemployment problems with poor prospects in one place, while a few miles down the coast employers will grumble about the shortage of labour.

The thriving industry and commerce of the port of Southampton, and the blossoming service industry of Brighton, contrast sharply with the problems of parts of the Kent coast. Southampton's supremacy as a port—and it is now one of the most modern cargo ports in Europe—is the dominant feature of the industrial south coast. From early days its key location and its unusual double tide features earmarked it as a major port for Britain, and everything that has happened since has confirmed its dominance, not least its new importance as Britain's principal trade outlet to Europe.

What is sometimes forgotten, though, is that Southampton is much more than a port. Apart from the obvious shipbuilding interests that remain in companies like Vosper Thornycroft, there is much general manufacturing industry, too, with almost 50 per cent. of the city's workforce employed in this sector. The South Hampshire complex, which includes the other important centres of Portsmouth and Gosport, contains such important industrial employers as Rank's Hovis McDougall, Plessey, John Brown, Hawker Siddeley, STC, Hall Thermotank and divisions of the Thorn Group, just to mention some of the major ones. Perhaps because of the outward looking nature that characterises the port areas, Hampshire has also attracted foreign companies. Esso's oil

### Isolated

The real problem area of the south coast remains Thanet, that rather isolated corner that is just too far from London and the ports to benefit from the prosperity normally associated with this part of the world.

Indeed, a few years ago Kent County Council became so concerned about the unemployment figures in its county—15,000 were out of work in 1971—that it took a step unprecedented in the south east. It appointed an Employment Opportunities Officer, a step more usually associated with Britain's traditional, and more northern, areas of depression. Michael Davies, who is still in this Kent saddle pursuing the original aim of attracting new industry to answer the unemployment problems of the county, is the only holder of such a county council post east of Devon or south of Nottingham.

Kent went so far as to ask the Department of Industry for some kind of special status for its depressed corners, but this was not forthcoming, and although the council offers no financial incentives, Michael Davies reckons he has played a part in the creation of 1,700 jobs, and headed 17,000 inquiries along the way. Apart from a modest budget one of his impediments is the IDC/ODP policy, and another—rather more surprising—is the existence of competition from the Continent. France and Belgium are only just over 20 miles from parts of Kent's problem areas, and the Continental areas closest of all enjoy a status equivalent to a British Development Area. Michael Davies has certainly felt this competition.

Nowadays Margate has one fairly large industrial estate and a number of smaller ones, with the emphasis on light engineering, while Ramsgate is more industrially and commercially thriving, with Volkswagen car imports and some spin-off activities boosting employment. There is room for some industrial expansion at Richborough, a little further along the coast near Sandwich,

and some effort has been made to attract quayside industry that would use the river.

Inland from Deal is one of the great industrial surprises of this corner of England. About 7,000 people are employed in three collieries still busy extracting the type of anthracite coal in such demand for steel-making, and despite fear of closure expressed many times in the past, these jobs seem secure.

Dover now has a space problem for industrial expansion, and like Folkestone further on is concentrating its efforts on a blossoming (and post Channel Tunnel cancellation) port trade, particularly in roll-on/roll-off traffic.

The Hythe/Romney Marsh area supports small industrial estates but the main centre of development interest in this area is the Dungeness nuclear power station complex. The "A" station is operational, while "B" is still under construction, having taken longer than expected. A "C" station is a distinct possibility now, though the construction employment, which tends to stay on in fair proportion after commissioning, tends not to be of very much local benefit.

Along this piece of south coast, Hastings is the main centre for industrial expansion, with its expanding town designation and Town Development Scheme to attract firms and people. Work is under way on an industrial estate, and office development is being looked for too. Eastbourne is also laying out areas for industrial development and has further land available to enhance its claim attempts to diversify from tourism and retirement. Birds Eye Foods has moved into the town recently.

While most of the effort in this area is concentrated on Hastings at present, the East Sussex county's structure plan points to Bexhill as a follow-on area for expansion, while further down the coast, Newhaven, apart from being established as an important channel terminal, has become a minor industrial centre. However, because of the Downs, there is only limited land left that could be developed without spoiling the environment. As the port traffic knows only too well, there are communications problems here too.

### Estates

Apart from the industrial hinterland areas of Crawley and Gatwick, West Sussex has few concentrations of industrial development, and certainly not on its coastline.

Most towns, such as Worthing, Bognor Regis and Chichester, have industrial estates, and they mostly cater for the small industries that have moved out of the old town centres on to new industrial sites on the fringes. In Bognor Lec Refrigeration is an important employer, while Chichester is primarily a service industry town, catering for

the agricultural areas as a traditional market town. Industry tends to be of the labour-intensive, high-technology type. The old Lancing carriage works, which was purchased by the county council in the early 1960s, has established itself as an area of industrial importance in West Sussex terms, but of all the counties along this coast this is the least industrially developed on its shoreline. Horticulture—including the largest mushroom growing installation in Europe—takes advantage of the quality of the light, and fishing and boat building continue. Bournemouth, now lost by Hampshire to Dorset, is primarily thought of as a holiday resort, but Max Factor has had a cosmetics factory there for some years, and there are several small industrial estates. Poole has tended to become the centre for industry in this part of the coast.

From Thanet to Southampton there is great contrast in industrial development. There are now clear signs that, while

the traditional employer areas of Southampton, Brighton and Dover continue to take full advantage of their positions as facilities, the other towns, with more of an exclusively tourist image, are making a bid for diversification and a balance in population through the attraction of industry, even if only of a modest scale.

Hugh Colve

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## SOUTH COAST DEVELOPMENT III

## Healthy property scene

WITH ITS good road and rail communications with London, the South Coast has long been one of the more expensive and popular of the country's housing areas. Within the region, however, there is wide variation both as to price and type of housing development. As a rough rule of thumb, similar property increases in prices as one moves round the coast from Margate to Brighton.

Here, within the "Brighton corridor" between Brighton and Gatwick airport to the north, property is expensive and land difficult to obtain. To some extent, the pressures on property in the Brighton area are a direct result of the town's steady rise in London. To work in London, only an hour's ride from one's seaside home, has its advantages.

The pressure is also created by Brighton itself as the first major commercial centre reached passing along the coast from east to west. Margate becomes very quiet out of season. Eastbourne is sedate. Brighton is a busy, year-round centre.

West of Brighton, the residential property pattern changes

as prices fall with increasing distance from London. Southampton, however, is a different proposition. The Southampton/Portsmouth area is large enough to allow for a range of property from modest artisan housing to private estates inhabited largely by upper management.

Southampton and Portsmouth have a large stock of old houses scheduled either for demolition or redevelopment, and the local authorities, together with the private sector, are working hard at reducing the undeniably substandard housing in particular parts of both cities.

There has been considerable development, usually on a small scale, in the villages and settlements surrounding the major South Coast towns of modern family housing for the middle income bracket, at prices some 10 per cent or more less than they would fetch in an outer London suburb. In the influence London exerts on the South Coast housing market, price is a function of distance.

The further away from London, the more the commuter pays in fares, the less then is the pressure on private housing

stocks, and, therefore, the lower is the price. It is not, of course, an advantage for the commuter. What he makes up for in lower house prices, he loses in the higher fares.

Because of the nature of the resort towns, there is a market for substantial older property of a size far larger than that being built to-day. Even at Margate, where property values are among the lowest in the region, the demand for such houses for use as residential homes for the elderly or as convalescent homes continues.

Large houses, built originally to cater for the holiday trade, contrast along the coast both with the pre-war semi-detached buildings and a wide variety of modern housing now under development. In towns where only the hotels were taken down two or three storeys, the pattern, however, is changing.

Brighton, Eastbourne, and other resorts have experienced a rapid increase in the number of apartment developments rather than individual houses over the past few years. Some of these have been high-rise, contributing their own particular impact to the shoreline. Others have been more traditional, often cloaking their function as apartments behind "Georgian" facades which blend with varying degrees of success into the surrounding

neighbourhood.

On the commercial front, again activity has been greatest in the areas around Brighton, while Portsmouth, particularly, has gone far to renewing its commercial centre. Restricted by the lack of development status to encourage industrial development, much of the energy of local authorities and private organisations has been directed towards the service industries and the attraction of the offices of large enterprises.

To date, this policy has met with varied success. Distance from London is less of a problem than finding a workforce of sufficient size and skill to man the enterprise. Nevertheless, efforts continue to attract commerce to available offices.

Set against the operation, say, of the National Health Dental Estimates Board in Eastbourne, there has been considerable activity in smaller, commercial, speculative development. Pressures on small firms in the London area to transfer their businesses to the South Coast are increasing. Soaring London rents make the smaller office development attractive in the South Coast region.

Shops also form an essential part of the South Coast development picture. Local authority urban renewal in the larger centres has produced new shopping developments which move

quickly in an area of considerable prosperity.

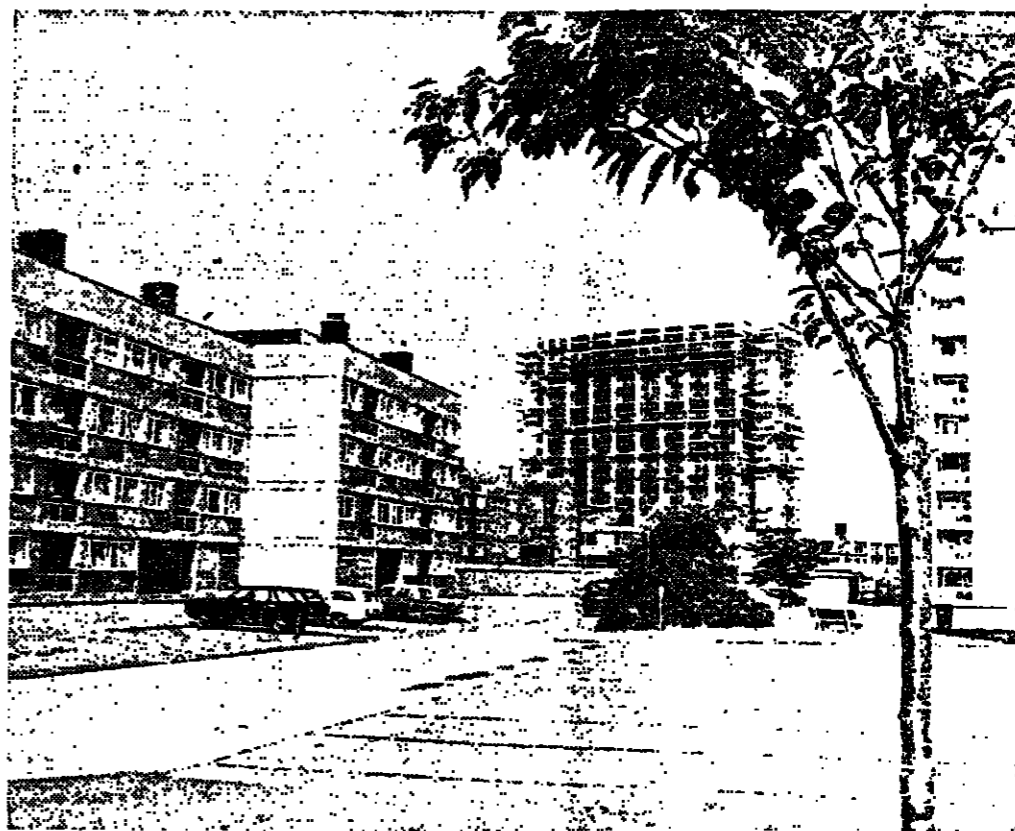
On a smaller scale, many South Coast towns lend themselves to compact shopping developments by private developers, which are suitable for small retail businesses, either catering for the holidaymaker or the resident. Again, there are few difficulties in selling or letting such property the closer to the Brighton area one comes.

The picture seems a healthy one compared to other regions in the country. Older property moves more slowly, but the activity in the Brighton corridor, where there is extensive modern residential development in progress, indicates confidence that new housing will continue to sell—and to sell well.

Similarly, office development, often backed by local authority campaigns to attract work to towns where employment follows a seasonal pattern, has been successful.

Shopping developments in the more prosperous towns depend for a large part of their success on their siting. Here the South Coast is particularly fortunate in having towns with well-established and attractively placed shopping centres. Developments close to these seldom fail.

Roger Beard



Housing in Southampton with a 15-storey office block under construction in the background, a development of the English Property Corporation.

## Amenities conflict

THE SOUTH coast between Margate, Kent, and Bournemouth, Dorset, claims the most equable climate in England. It also has the distinction of having the highest percentage of senior citizens over age 65. The one attracts the other, and creates in turn a social problem peculiar to the South Coast resort and retirement towns.

For behind the elegant sea-front nursing homes sprinkled among the hotels and other holiday and resort attractions lies the fact that such a large number of elderly people imposes a strain on the social services. It is a strain more evident in some towns than in others. Yet, that people choose to retire here is an indication of the great wealth of natural and man-made amenities within the region.

Traditionally the "playground" for the cities of the south East, the South Coast resorts are continually adding to these amenities, while preserving the natural features which make them so attractive. As tastes have changed, local authorities and private interests have combined to respond to that change and to the challenge of competing resorts, particularly abroad.

Nowhere is this more clearly seen than in the growth and expansion of boating and sailing. After all, the region has the sea as its greatest natural resource. Now it is beginning to make better use of it. Two examples, the developing marina at Brighton and the careful conservation of Chichester Harbour, illustrate this trend towards the fullest exploitation of the leisure potential in the region.

Brighton Marina is still the object of controversy. Those who seek to preserve the elegant, gabled character of the town see it as an intrusion. Others, aware of the need to provide increased boating facilities, as an important addition to the sure amenities of Brighton in the region. An impressive piece of civil engineering, there is no doubt that its moorings, piers, and entertainment complex will contribute to the town's industry, tourism and leisure.

Chichester Harbour is at the other end of the scale. Just as developers have won the battle at Brighton, the conservationists are winning their fight to protect Chichester Harbour, not just as a magnificent sailing centre but as a reserve of national importance.

To conflict between conservationists on the one hand and those in favour of renewal development on the other runs throughout the region. Here, Folkestone, Hastings, Bournemouth, Bognor Regis, Bournemouth and Bournemouth each have long traditions of holiday towns. They offer a range of entertainment extending from funfairs to the quiet of deck chair relaxation on a sandy beach.

Whatever one adds to such a scene must inevitably change

their character and displease some. Nevertheless, the railway poster holiday image of equable climate in England. It also has the distinction of having the highest percentage of senior citizens over age 65. The one attracts the other, and creates in turn a social problem peculiar to the South Coast resort and retirement towns.

Mostly within easy rail reach of London, they attract commuters by the thousand, and these, together with the retired population and the visitors, demand the fullest amenity range.

This they get. To share in artistic performances at the highest level one does not have to go to London. Bournemouth, Eastbourne, and Brighton all offer serious, artistic entertainment of the same standard claimed by the theatres and concert halls of the capital. Over the past decade, support by local communities for the arts has increased as the demand has risen.

Designed partly to suit the needs of the holidaymaker or conference delegate (conferences constitute a multi-million pound business in the larger towns), modern theatres and halls are also in use year-round.

Sports, too, have shared in the development of leisure facilities. The bowling greens so typical of the South Coast town are still there, and put to full use. However, other activities are beginning to make their mark. From ten-pin bowling to international tennis, from horse racing to hang-gliding, the South Coast resident can watch or participate in a bewildering number of sporting activities.

From the leisure and social viewpoint, it could be argued that there is not just one South Coast, but three. The resort towns, continuously updating their amenities to suit modern tastes are one. The natural resources of the downs, the harbours, rivers, and marshes are another. The third centres on Southampton, the "capital" of the Coast.

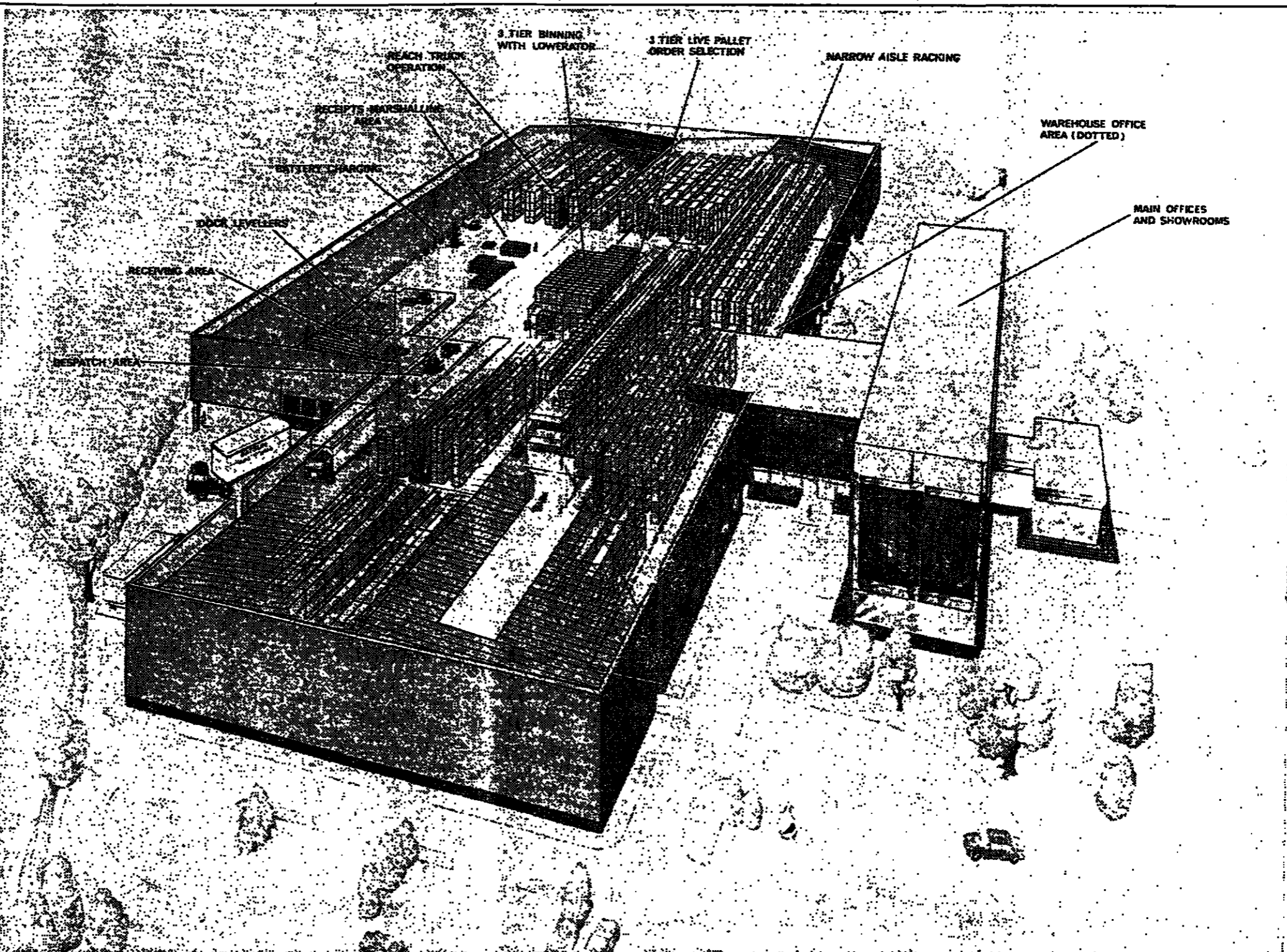
Though Southampton is a tourist centre, it is also a thriving industrial complex. Its amenities reflect this. For shopping there can be no finer centre between the coast and London, with a series of fine, modern shopping developments. Its university exerts considerable cultural influence on the city. Its cinemas, soccer stadium, and parks reflect the taste of those who live and work there.

People seldom retire to Southampton. Not too many holiday there. It remains, however, the pivot round which South Coast amenity development turns, and on which future development will likely be based.

Regarding the natural resources, the cry is for conservation rather than development of a variety of areas, ranging from the lonely marshes of Romney, through the great chalk cliffs of the Seven Sisters, to the New Forest "jungs" essential not just to the region's amenities, but to its prosperity.

Here, there is a conflict between conserving the areas and catering for the increasing number of people, both residents and visitors, who would make use of them. Some compromise is inevitable.

Roger Beard



## Datsun consolidates for the future

An impressive new £4 million headquarters for Datsun U.K. Limited, nearing completion at Worthing, Sussex, is the new nerve centre for a complex network of sales and service-outlets throughout Britain.

The new building is a visible part of the steady consolidation programme that started when Datsun cars became established as an integral part of the motoring scene in this country, after being introduced during the last decade.

Last year, Datsun became Britain's leading car importer with the Datsun Cherry and Sunny as Britain's two best selling imported cars. Already, around 200,000 Datsuns have been sold in Britain, and have established an enviable reputation for reliable, low-cost motoring. Such an impressive record has demanded consolidation in the dealer network too, to give a first-class service to motorists, and there are now around 300 dealers appointed throughout the United Kingdom.

The spares situation has also kept pace with the development of Datsun U.K. Limited, and the new headquarters—on a seven acre site bought from West Sussex County Council—include a 40' high warehouse with 130,000 sq. ft. of floor space, and a storage system using 750,000 linear feet of racking.

The new spares department, already in operation, carries vast stocks, and has the back-up facility of the Datsun network in Europe, with its headquarters in Brussels.

The new Datsun U.K. building also houses a five-storey office block, with lecture rooms, a computer centre, sales and service training schools, and a new car showroom.

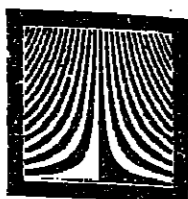
Datsun's aim is to maintain its sales position in the United Kingdom at the present level, and to contain growth within limits where a high level of customer service, in line with Datsun's reputation for quality and reliability, can be sustained.

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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## TEXTILES

### Indicates when stretch is wrong

IN RECENT years the textile industry has seen the growth in application of textured filament yarns rise spectacularly. These are now increasingly competing with yarns that are spun on the cotton or worsted systems. Possibly the most famous development in the textured yarn trade was the establishment of "Crimplene" textured filament polyester in the double jersey trade.

While this has been happening in fabrics, there has been something of a stampede in the machine building trade to develop new machines and new techniques to increase rates of production and reduce costs. One major development has been the switch from what is known as pin twisting to friction twisting.

Instead of taking yarn round a specified limit. Known as the Tenscan, the new system is expected to enable productivity of texturing machines to be greatly improved.

Tenscan has been evolved by FMK Manufacturing (Electronics Division, London and Manchester House, Park Green, Macclesfield SK11 7QJ, 0625 29433).

Essentially the system is a simple mechanical tension measuring unit that is fitted to each texturing position of a machine. This is linked to an electronic monitoring unit at the end of the machine. It is claimed to be possible to measure tensions in yarns being processed from say 10 kg to 100 kg and to within an accuracy of plus or minus 2 per cent. Efforts are being made

to produce greater sensitivity and to cover a wider range of tensions. Tension measurement is possible to within incredibly fine limits, but where the FMK system has an advantage is that it has been designed to enable the requisite measurements to be made mechanically. The equipment required is thus far less expensive than the very much more sophisticated units developed for measuring tensions in yarns to within scientifically precise limits.

Tenscan will provide a read-out of tension monitoring of the ends on a frame, but it can also be used as a practical production control aid that will signal when a position is off limit and reveal which end is at fault.

Container Workshops of Manchester—Morrell, Mills Group—has opened this new £150,000 shotblast and painting container refurbishing depot at Trafford Park. Covering over 10,000 square feet, it can handle 20-ft and 40-ft steel E.S.O. containers, and has a potential total throughput of 15,000 containers a year. There is storage space for up to 30 containers. The facilities are also used for the complete refurbishing of road trailers. The shotblast plant, measuring 70 by 50 feet, can handle four 20-foot containers, for exterior and interior cleaning. The purpose-built paint shop, measuring 120 by 54 feet, is spacious enough for 16 20-foot containers in eight double bays to be handled at the same time.



position of film music, and to the Ludwig Reberg Studio in Stuttgart, where it will be hired by university and research establishments.

## RADIO & TV Synthesises music and speech

A NEW British development will make a major contribution to music and audio research studios throughout the world. It is the Computer Synthi, just announced by Electronic Music Studios of Putney, claimed to be the first computer music system ever to be offered as an off-the-shelf package.

It consists of a PDP-8A mini-computer, two cassette tape drives, analogue-to-digital and digital-to-analogue converters, an array of push-button and slider controls and a 16-position light emitting diode display.

The unit provides the user with the facility to program sound and music synthesizers with thousands of events over hours of output and to edit the output selectively and easily. The tape drives make it a simple procedure for different users to employ the equipment for different projects through an immediate exchange of cassettes.

EMS originally developed the unit for its own use in control of its Synthi 100 equipment and, in line with its policy in recent years, has now made its own apparatus commercially available. The first two production versions of the Computer Synthi are to be delivered later this year to the Michel Fano Studios in Paris for the com-

position of film music, and to the Ludwig Reberg Studio in Stuttgart, where it will be hired by university and research establishments.

EMS claims that the Computer Synthi can make existing synthesiser installations up to 10 times more productive—at a cost of only £3,100.

The main applications for the new unit will be the composition of electronic music, the creation of sound effects for radio and TV programmes, experimentation with audio signals and research into sound and psycho-acoustics. EMS has sold £200,000 worth of Synthi 100 synthesizers, about 75 per cent to overseas markets, including installations for Radio Belgrade and universities in Melbourne, Australia and Carleton, Canada.

Computer Synthi will be a valuable tool for research establishments studying human speech, for, with 20 independent streams of control voltages, it is possible to use synthesiser oscillators and filters to build a voice model. Previously, with ordinary sequencer or manual control, it has been extremely difficult to drive sound apparatus rapidly enough and to make variations in sound frequently enough to represent speech.

Synthi puts at the scientists' disposal the means of making hundreds of sound emission changes per second, and of editing any section or sequence at will to improve the final output. Further details are available from EMS (London) Limited, 277 Putney Bridge Road, London SW15 3PT, 01-788 3491.

## COMMUNICATIONS Membrain's century

MEMBRAIN of Ferndown, Dorset has delivered its 100th test system. The delivery—an MB440 hybrid digital and analogue unit—was made to a Japanese client.

Membrain is now among the top four suppliers of commercial card testers in the world, and is the most significant European manufacturer dedicated to the test equipment field.

Membrain is at Ferndown Industrial Estate, Wimborne, Dorset BH21 7PG (02017 6116). These 100 systems have been installed in less than four years from Membrain's first shipments in June 1972. Those years have seen turnover increase to well over £1m, affiliate companies formed in the U.S. and Germany, staff grow to over 120 and space from the original 8,500 to 35,000 square feet.

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## PLASTICS Light and easy to handle

PLANS FOR the marketing of a new range of light weight high-density polyethylene bottles manufactured by Pylus Containers are coming to fruition following the production of the first 200,000 at the company's Woburn Sands, Bucks, factory.

This first batch of 2-litre containers has been produced for G. Barracough (Soft Drinks) of Bradford, Yorks, where high speed automatic filling, capping and labelling machines have been modified to handle them.

When it has got beyond the pilot plant stage Pylus will also start making 5 litre and 1 gallon versions. It now has 14 American built Uudley blow moulding machines which, it reckons are capable of producing about 60m units a year.

Similar equipment is being operated by Pylus Europe BV at Halfweg in Holland. This is a joint venture with the Phoenix Group for the manufacture of the company's Compact range of thin-walled containers.

Raytheon is one of the world's largest electronic companies and this decision is an accolade for U.S. software. The U.S. group will utilise the drawing module, engineer's report and layout module of the Redac System.

Raytheon has its own design automation division, but it will be making a 60 per cent saving on present costs by introducing the Redac facilities.

Redac Software, Newtown, Tewkesbury, Gloucestershire GL20 5BE.

It was designed largely as a result of the work done by UCC and ECI on the structural design and analysis of North Sea oil platforms.

Hitherto, civil engineers have had to look outside well-known structural and design analysis suites for a program to under-

take purely dynamic analysis, and this has invariably meant using large packages carrying unnecessarily heavy overheads. EC68 provides a simple answer to the problem for appreciably less cost.

Although initially designed to meet the special needs of North Sea oil structures, its application of the Redac Electronics Group, is much wider. In addition to the analysis of sea forces on sea bed structures, it may be used for wind or earthquake forces on land-based structures, vibration analysis of machine foundations, ship's structures, airframes—and so on.

UCC, 344 Euston Road, London NW1 3BT (01-357 9661).

Plain paper microfilm printer

THE QUANTIMATIC is a microfilm aperture card printer which can produce 10 black and white prints a minute on plain paper.

It has an automatic feed (up to 200 camera or 35mm aperture cards), and can make 10 copies of each. Prints can be made on A2, 3 or 4 size paper, and the magnification is 14.5.

Launched by 3M United Kingdom, Wigmore Street, W1A 1BT (01-458 5522), it is based on the technology of plain paper print technology.

Prior quality is good enough to give excellent reproduction of solid areas as well as tone, from originals of varying quality. The machine measures 34 by 45 by 49 inches high and weighs 1,450 lbs.

90 degrees to drop the bed into lower chamber for sieving and cleaning. Large solids are removed by water-cooled rake, without shut down.

Waste materials are fed into the incinerator through an air lock. Products of combustion pass first to a hot cyclone for removal of any solids, then to a Leighton Buzzard, Beds, L.T. 818 (0525 78375). Emission to atmosphere of pollutants has been almost eliminated.

Designed to burn some 600 lb of high calorific waste an hour at operating temperatures up to 900 degrees C, the bed is composed of graded sand or similar granular inert material. Air is passed through this at sufficient velocity to cause it to behave as a liquid. The incoming air is pre-heated, making the bed hot enough to ignite incoming waste. This pre-heater is automatically switched on and off to maintain optimum operating temperature.

The bed has a surface area of 16 square feet and when aerated, a depth of 18 inches. Maximum air flow is 2,000 cu ft/minute, supplied by a Roots blower. The bed is supported on a louvre which can be turned through

technicians as the CSI sealed beam lamp effects economies in running costs and electricity and the hot restrike version will greatly extend its possible applications, Thorn claims.

In 1970, the company introduced the CSI lamp mounted in a sealed beam outer bulb to successfully replace the bulky and unwieldy "brute arc" widely used for outdoor TV and film work. But the CSI, like the brute arc, could not restrike immediately after switch-off, unlike the latest version.

THORN LIGHTING has developed a 1 kW Compact Source Iodide (CSI) lamp capable of withstanding a 25 kV pulse for hot restrike. It is also claimed to be the smallest arc lamp in the world.

This development, announced in London to-day, will be good news for television and film like the latest version.

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The new containers now being produced at Windsor Sands are being marketed as the F.80 light weight range and are suitable for liquid foodstuffs and chemicals. They have contoured bases to give rigidity and a large handle which provides an air return to aid pouring.

The bottles are translucent so that the colour of the contents may be seen and they have plastic closures.

Savings in weight of the individual bottles and in the amount of materials needed to make them are main planks in the company's marketing strategy. It says, for instance, that a 5-litre bottle weighs 85 grams, which represents a 30 per cent saving on materials used for its 5-litre Compact container and 16 per cent, less than its closest competitor.

Redac taken by Raytheon

THE LATEST international order to be announced by Redac Software, Tewkesbury based computer-aided design specialists of the Redac Electronics Group, is one valued at £200,000 from Raytheon, of Weyland, Mass., U.S.

Raytheon is one of the world's largest electronic companies and this decision is an accolade for U.S. software. The U.S. group will utilise the drawing module, engineer's report and layout module of the Redac System.

Raytheon has its own design automation division, but it will be making a 60 per cent saving on present costs by introducing the Redac facilities.

Redac Software, Newtown, Tewkesbury, Gloucestershire GL20 5BE.

It was designed largely as a result of the work done by UCC and ECI on the structural design and analysis of North Sea oil platforms.

Hitherto, civil engineers have had to look outside well-known structural and design analysis suites for a program to under-

take purely dynamic analysis, and this has invariably meant using large packages carrying unnecessarily heavy overheads. EC68 provides a simple answer to the problem for appreciably less cost.

Although initially designed to meet the special needs of North Sea oil structures, its application of the Redac Electronics Group, is much wider. In addition to the analysis of sea forces on sea bed structures, it may be used for wind or earthquake forces on land-based structures, vibration analysis of machine foundations, ship's structures, airframes—and so on.

UCC, 344 Euston Road, London NW1 3BT (01-357 9661).

Plain paper microfilm printer

THE QUANTIMATIC is a microfilm aperture card printer which can produce 10 black and white prints a minute on plain paper.

It has an automatic feed (up to 200 camera or 35mm aperture cards), and can make 10 copies of each. Prints can be made on A2, 3 or 4 size paper, and the magnification is 14.5.

Launched by 3M United Kingdom, Wigmore Street, W1A 1BT (01-458 5522), it is based on the technology of plain paper print technology.

Prior quality is good enough to give excellent reproduction of solid areas as well as tone, from originals of varying quality. The machine measures 34 by 45 by 49 inches high and weighs 1,450 lbs.

90 degrees to drop the bed into lower chamber for sieving and cleaning. Large solids are removed by water-cooled rake, without shut down.

Waste materials are fed into the incinerator through an air lock. Products of combustion pass first to a hot cyclone for removal of any solids, then to a Leighton Buzzard, Beds, L.T. 818 (0525 78375). Emission to atmosphere of pollutants has been almost eliminated.

Designed to burn some 600 lb of high calorific waste an hour at operating temperatures up to 900 degrees C, the bed is composed of graded sand or similar granular inert material. Air is passed through this at sufficient velocity to cause it to behave as a liquid. The incoming air is pre-heated, making the bed hot enough to ignite incoming waste. This pre-heater is automatically switched on and off to maintain optimum operating temperature.

The bed has a surface area of 16 square feet and when aerated, a depth of 18 inches. Maximum air flow is 2,000 cu ft/minute, supplied by a Roots blower. The bed is supported on a louvre which can be turned through

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All of these securities have been sold. This announcement appears as a matter of record.

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# Gulf ponders over the future of oil


In so far as Gulf has an acquisitions policy, it tends towards the areas of energy and raw materials, its executives say. The company also favours making one single big acquisition which, it believes, would be less likely to provoke government intervention. "I think that a series of smaller mergers designed to consolidate its position in a given field. In justification, it cites the example of the British Petroleum Group, which has acquired 100 per cent of its subsidiaries explicitly, but its intention seems clear: Marcor looked like promising diversification at a moment when the threat of growing government regulation was clouding the future for the oil industry. Would Gulf consider such a radical departure from its traditional policy?" asks an oil industry executive. "I don't think so," he admits one executive. "I suppose you could say that in times of uncertainty we are hedging our bets."

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WEDNESDAY, JULY 2, 1975

## Some action at last . . .

MR. HEALEY'S statement to the House of Commons yesterday stands in welcome contrast to the Prime Minister's previous refusal to be rushed into the adoption of new measures for tackling inflation. Pressure on sterling eased yesterday morning, but Monday's experience showed clearly that there was no more time to waste before making a firm declaration of intent to bring the rate of inflation quickly down to a more tolerable level and demonstrating a readiness to take whatever steps might be needed to bring this about. The statement that statutory control of wages will be introduced if firm and enforceable arrangements to control wages voluntarily are not quickly concluded with the trade unions is clearly intended to prevent a collapse of confidence in sterling. The more the left wing of the Labour Party complains about broken promises, indeed, the more effective the mere threat of a statutory policy is likely to be.

Nor is its effect likely to be felt only abroad. Mr. Jack Jones yesterday succeeded in winning support from his own union for voluntary restraint. This success, together with the Chancellor's warning, will give the TUC a better chance of agreeing on some form of voluntary and workable restraint in the few days that have still to pass before the Government sets out its proposals in more detail in a White Paper.

### Statutory powers

The existence of statutory powers would help the Chancellor to maintain his position against his Cabinet colleagues and those TUC leaders who reluctantly favour voluntary restraint to argue a strong case against those who do not, and one school of thought in the Treasury is pressing strongly for them. But it is by no means certain at present that such powers would have to be invoked. From an economic rather than a political point of view, the most important reference in the Chancellor's statement was to the institution of cash ceilings to control expenditure in the public sector. This innovation has both a general and a particular aspect. The general

## . . . and what remains to be done

THE LACK of any serious financial content is perhaps understandable in what shows every sign of being an emergency statement, pushed ahead of its planned schedule by the pressure of events; but it is an omission which will have to be remedied very shortly if the Government's initial policy is to be effective or credible. Cash ceilings on the wage bills of the public sector simply embody the Government's intention that as an employer, it will stick to its own wage norms—with the added implication that if an above-normal increase is pushed through anywhere, its cost will have to be covered by reducing the labour force. This says a great deal about the Government's determination on the wage front, but not nearly enough about its financial intentions.

### Temptation

The great temptation for any Government trying to enforce wage restraint is to try to reinforce the response of prices to this restraint through open or concealed subsidies and financial support. This can be done by measures ranging from food subsidies and capital grants, to steps designed to keep interest rates low and the exchange rate artificially high. Such measures find financial expression in unforgotten increases in the borrowing requirement, and increasingly in monetary conditions. The consequences of attempting to buy off inflation in this way were memorably demonstrated in 1973, and the Chancellor has so far shown an admirable determination to suppress inflation out of the system. Under the new stresses of wage restraint, however, the policies need to be re-stated, and subjected to their own cash discipline. This, and only this, would demonstrate the economic determination needed to

### The minimum

The minimal requirements are to ensure that the £80n borrowing requirement announced in April is in no circumstances exceeded. There should also be a tight ceiling on the proportion to be financed through public sector borrowing from the banks. Ministers are too inclined to claim slow monetary growth, purely the result of depressed private-sector demand, as a triumph for their own restraint, and to ignore the growing lending capacity of the banking system.

Given this financial context, the Government's new policies should reduce inflation; given effective wage restraint, the cost in jobs should be reduced. But without a financial context, the policies are empty: arithmetic would demonstrate the economic determination needed to

## The Chancellor's Statement

# A belt-and-braces approach to fighting inflation

BY SAMUEL BRITTAN

ONCE again it has needed a run on sterling to make a British Government take seriously the inflationary situation. There is no doubt that the trigger for action has been the 4 per cent fall to nearly 39 per cent in sterling's effective depreciation during June, which was heavily concentrated in the last few days of the month.

The skeletal nature of Mr. Denis Healey's statement yesterday and the lack of figures on the public spending side is a sign of the rush in which it was drafted. The background to the run on sterling is shown in the two accompanying charts taken from the Treasury's Economic Progress Report published on Monday. Year on year, the U.K. inflation rate last April was 9.6 per cent, above the general average of industrial countries belonging to the OECD. In the most recent six months, the U.K. inflation rate had accelerated to an annual rise of 28 per cent, while the OECD countries had decelerated to one of 10½ per cent.

The particular aspect was exemplified by Mr. Crosland on Monday when he announced that he intended in future to set a firm ceiling on the borrowing and subsidy rights of the Railways Board; if more than the Government thinks right is then paid out to railway employees in settlement of a wage claim, the Board will be compelled to cut the level of its services and its employment. Such a discipline imposed throughout the public sector would do more than any other single measure to bring our present inflation to a stop.

### Taken by surprise

One can sum this up by saying that the U.K. inflation rate has been 10-20 per cent above that of competitor countries. The behaviour of the British price index, which in part reflects once-for-all imposts imposed in the Budget, is pretty much what Whitehall expected. But the fall in sterling has taken the Government by surprise. The move from an effective depreciation of 2½ per cent at the end of December to around 29 per cent at the beginning of this week represents a drop of 9-10 per cent in the external value of sterling in the first half of 1975.

This is roughly the depreciation that was expected for the whole of the year when the Chancellor prepared his April Budget. The reaction of Ministers and officials to an unexpected fall in sterling is pretty well instinctive and automatic. When a fall in sterling merely reflects internal inflation, the reaction is irrational. But on this occasion there was clearly an element of anticipation of inflation that had not yet occurred. Roughly speaking each 1 per cent fall in the rate, over and above what is justified by the international cost position, adds nearly 0.4 per cent to domestic prices.

Even if there were a rigid money supply policy, such cost-of-living increases would feed into wage settlements and worsen both unemployment and

inflation for a "transitional" period. With the loose-limbed and agnostic approach which does apply to the money supply, the inflationary effect could be built into the system. Thus, there was every reason to act—not to hold the exchange rate artificially—but to prevent a self-justifying cycle of adverse anticipations on the foreign exchange market.

The authorities were, however, probably most worried about the possibility of the fall in sterling precipitating an "avalanche" of withdrawals from oil-exporting countries. The official sterling balances of the oil-exporting countries in March amounted to £3,448bn. Overwhelmingly the most important countries are Saudi Arabia, Nigeria and Kuwait.

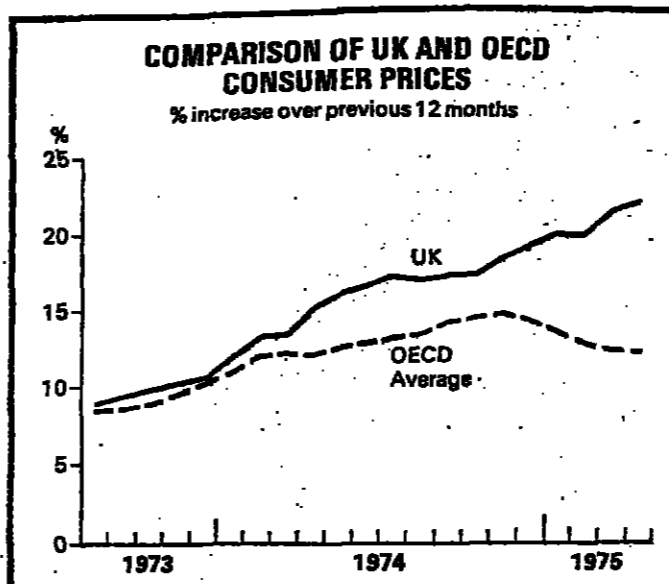
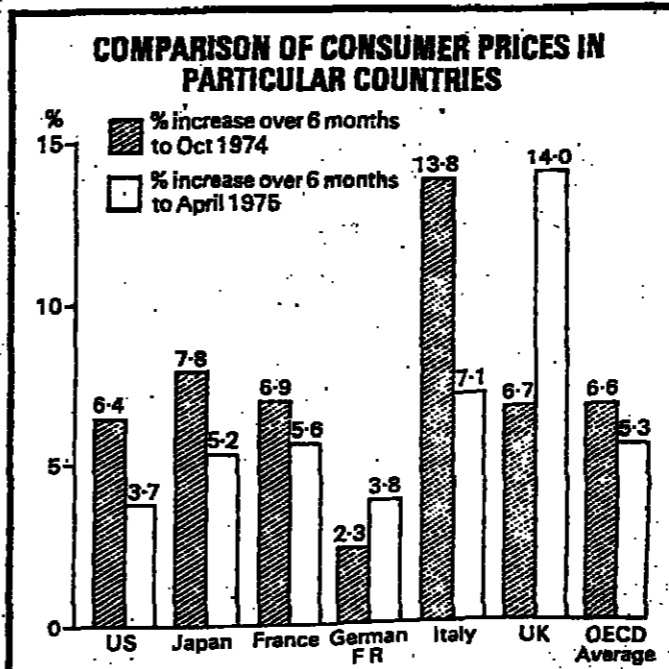
### Postponed decision

The British authorities wanted, at all costs, to avoid indexing oil producers' balances in terms of the dollar, the SDR or real purchasing power, knowing that demands for such indexation would spread. The signs are that they have, for the moment at least, succeeded. A decision on whether or not to raise interest rates was postponed yesterday until the reaction of the foreign exchange market was clear. My own reasons for taking a different view from Whitehall on both interest rates and indexation have been given in earlier articles. I am now simply recording the attitudes which influence policy.

The anti-inflationary measures announced are very much belt and braces. There are wage controls for those who regard "a real incomes policy" as the key to reducing inflation, and cash ceilings on Government spending for those who put the emphasis on monetary and fiscal policy. The Treasury's emphasis is heavily on the incomes policy side; and it is trying to discourage people from linking the public spending measures too closely with it.

The 10 per cent wages limit is interpreted to mean more nearly £5 than £6 per head over the whole employed population including women. The limit is likely to be imposed in terms of the average wage per head in each enterprise. The smoke signals from No. 11 yesterday indicated that Mr. Healey was intent on a statutory policy, as he was highly sceptical of securing compliance from the TUC, some of whose members have already opposed any tightening of the guidelines.

Nevertheless the Chancellor may have difficulty in getting legislation through Parliament, and this could give him second



thought. Some MPs will oppose it on valid intellectual grounds. In the first place, legislation would encourage the illusion that inflation can be permanently curbed by wage and price controls and weaken the determination—which needs all the strengthening it can get—to impose effective limits on public spending, public borrowing and money supply.

Second, statutory wage controls would strengthen all the temptations to lean on profits and continue the erosion of personal financial incentives, which will both make for national impoverishment and do more to destroy employment than all the right money economists who have ever existed. Third, a statutory policy would mean that the very necessary battle over union monopoly power will once more be fought at the wrong time

and on the wrong issue, and be no more successful than Mr. Edward Heath's or Mr. Harold Wilson's own earlier efforts. The public spending measures are of three kinds. First, there are the attempts to control the volume of public spending in the next few years as part of the normal medium term exercise. Mr. Healey announced in April that there would be a reduction of £1bn in public spending in real terms in 1976-1977 below that set out in the January White Paper. The Government is also committed to taking some £2bn off the spending volume originally planned for 1978-9. Success in the long term. The main limit to the expansion of the banking system, which is comfortably above its minimum reserve ratio, is simply the lack of business and personal demand for credit.

The demand for credit could

realistic alternative of having change with lightning speed to stop all growth in private just when no one is expecting consumption for a similar it. In both the world and the period. As it is, there should be a fall in real incomes this is that re-expansion all autumn, if settlements are made later than political leads no at 10 per cent, while prices are expected, but also must still rising at say, 16 per cent. sudden and jerky.

These medium term cuts in "real" Government spending were being worked out well before the latest sterling crisis. The second element, which is completely new, is contained in Mr. Healey's brief remark about cash limits for the whole public sector. This applies to 1976-77 and not to the current financial year. It is no secret that there has been a great deal of scepticism about such ceilings on the part of the aficionados of existing methods of expenditure control. Their hand was forced by the crisis.

Obviously, however, most dubious and damaging of the package is the proposal to tighten price controls a weapon against firms more than the 10 per cent norm. Why is this scary when the reality and if of unemployment can be used upon to keep down the private sector, especially the public sector is to be prevented from giving stationary lead? Why now employers to respond in line with their differing situations?

### Limit for wage bills

The third public expenditure element is the cash limit for wage bills in central and local government, and the nationalised industries. This is the only element to be applied in the present financial year. Details may appear in next week's White Paper on incomes. The Public Expenditure White Paper showed a wage and salary bill for 1975-76 of £9,400n, measured in the prices of early 1974. If one adds about 20 per cent to convert this into current prices and a little more for the effects of the 10 per cent wage limit in the remainder of the financial year, one arrives at a ceiling of very roughly £12bn, excluding the nationalised industries.

The package will not be convincing until it is tied up with specific commitments about the borrowing requirement and monetary growth. Official estimates of the borrowing requirement are still in the £80n-£100n range as the erosion of the Budget forecast has been fairly modest. But MPs should press for this figure to be made explicit as a target and policy commitment.

The money supply will need to be even greater scrutiny. The narrower measure which excludes deposit accounts—those which banks do not find it profitable at the moment to bid—is already rising at an annual rate of 13 per cent, and this measure tends to rise slightly more slowly than prices in the long term. The main limit to the expansion of the banking system, which is comfortably above its minimum reserve ratio, is simply the lack of business and personal demand for credit.

The demand for credit could

### What analysis find

The Chancellor's attitude has been unfortunately reinforced by official analysis. These not only find the going rate for wage settlements is about 27-28 per cent (includes thresholds). They claim that if differences in period between settlements allowed for, there has been de-escalation in the private sector.

Such estimates are difficult to reconcile with a marked deceleration shown by the earnings index, which on a seasonally adjusted basis has been rising at an annual rate of only 1 per cent in the last three months. The probability is that market forces have led to a growing discrepancy between wages actually paid and national rates. The need for evidence of groups of work up and down the country going forgoing wage increases to serve employment, is strengthened by statistics showing a nearly all the increase in unemployment has been in manufacturing industry or the private service sector. It really is a much to take a major step towards a directed economy the basis of backroom analysis quite unnecessarily closed inspection.

## MEN AND MATTERS

### Robson's place in the Brandts re-build

The third stage of the management restructuring of Grindlays, following on the Brandts disaster, comes with the appointment of Nigel Robson. He goes in as a Deputy Chairman of Grindlays Bank, also Deputy Chairman of Grindlays Holdings. The wording of yesterday's announcement that "in the absence of the Chairman, Mr. N. J. Robson will act for him" suggests that Lord Aldington will be absent often enough to make Robson's a key job.

His is a Lloyd's appointment (he is also a director of the Lloyd's subsidiary National Bank of New Zealand) and balances last month's appointment by Grindlays' other main shareholder, First National City Bank, of Peter Jefferys in a chief executive role for the whole group. In between, in the other management reshuffle, Michael Andrews resigned as the head of Brandts, where last year there were £14m. provisions, and Clifford Vincent, a deputy chairman and Lloyd's appointment, started taking "an active interest" in the merchant bank's affairs.

With these shifts in titles and responsibilities out of the way—Lord Aldington's role as triple chairman within the complicated group structure will be to concentrate on strategy—we now wait for the rights issue to complete the first stages of rebuilding. In Robson's case the formal appointment recognises the de facto position for the last month.

But it does mean that he has now to give up in practice, as well as title, what was previously his main job as chairman of merchant bank Distribution of Income. The man of merchant bank man and Lloyd's appointment, started taking "an active interest" in the merchant bank's affairs.

### Question of equality

Lady Wootton probably picked a bad day yesterday to query the relatively inferior rate of pay accorded to one recent Government appointee. She pressed ahead, nevertheless, with a question in the House of Lords about the salary of the new chairman of the Equal Opportunities Commission, Betty Lockwood.

Her £10,700 a year was contrasted with the £18,500 paid to Lord Diamond as chairman of the Royal Commission on the Distribution of Income. The man of merchant bank man and Lloyd's appointment, started taking "an active interest" in the merchant bank's affairs.

learned, was considered in the same league as the Race Relations and Consumer watchdog bodies.

Was this, the baroness wondered later, a "good augury" for women's rights? She thought Miss Lockwood had been in a weak individual bargaining position, adding: "It's appalling. Do we have the rate for the job, or do we get it on the cheap? Even though a new round of sacrifice undoubtedly awaits us all, there is to be an inter-parliamentary committee on the question."

### Wordy

The nomenclature of the property world, as it attempts to trim to the prevailing political winds, is always interesting. When actual re-development is ruled out, the process of doing up an existing building has ranked as "renovation" with a tendency towards "refurbishment" in recent years. But do I detect an important new drift in today's annual report from Land Securities which talks of "revitalisation work"?

### Feting freedom

Margaret Thatcher returned yesterday to the hotel suite where she was elected Tory leader to address one form of the faithful, the first Free Enterprise Day luncheon. Being a brainchild of Aims of Industry, now renamed Aims for Freedom and Enterprise, Free Enterprise Day was suitably packaged, with freedom T-shirts worn on young bosoms and little flags for the less beautiful to wave.

Whether Aims is really the body to put across a revivalist message on free enterprise's behalf remains in doubt. Michael Ivens, its director, is an intelligence

### Keep studying

By all means stand up for the centre, but get the spelling right. A Press release the other day announced the launching of "a new national organisation for non-aligned moderate students."

Observer

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## The Chancellor's Statement

## Two-level cash ceilings for the public sector

BY COLIN JONES

DETAILS of how "cash ceilings" would be operated in various parts of the public sector have yet to emerge. Even some of the departments which would be responsible for implementing them appeared to be caught somewhat unprepared by the Chancellor's statement yesterday. But at this stage three points should be brought out.

In the first place, Mr. Denis Healey himself spoke about cash ceilings being used to serve two quite different purposes. As part of a "battery of weapons" to secure compliance with the de-escalation of pay settlements, cash limits would be fixed for the public sector "so that all announcements... For 12 months, from November 1975, local authorities were required to absorb the whole of any increase in pay and other costs whereas before then and since each year's rate support grant has been retroactively adjusted in the light of established cost trends.

In other words, this form of cash ceiling would be an income "norm" under another name. But, at the same time, the Government intended to employ a system of cash limits more generally as a means of controlling public spending in the short term. Here, the ceilings would be used to reinforce existing controls on spending in real (or resource) terms in order to help restore an effective financial discipline and to remain a measure of control over the public sector borrowing requirement.

## Adapted

Secondly, it is clear that either type of ceiling would have to be adapted to the particular circumstances of different parts of the public sector. For example, the kind of approach that might be appropriate for the nationalised industries—where, with the exception of the railways, the Government is already intending to phase out revenue subsidies by next April—would not be at all suitable for dealing with the local authorities, who rely upon Government grants to finance two-thirds of their net current spending.

Thirdly, it is equally clear that the effectiveness of the new policy will depend upon the credibility of the limits—which in turn will largely depend upon how long they are intended to last and upon how far in the meantime Ministers are prepared to face the possible consequences in terms of unemployment and strikes and in the development of particular public services.

This last point can be illustrated by considering the last time cash limits were set to Government grants to local authorities. This was in January 1968 and was part of the post-devaluation measures—and it was the Prime Minister, Mr. Harold Wilson, who made the announcement. For 12 months, from November 1967, local authorities were required to absorb the whole of any increase in pay and other costs whereas before then and since each year's rate support grant has been retroactively adjusted in the light of established cost trends.

Local authorities complained bitterly but the practical effect was relatively marginal. In the first place, the rate of inflation was more modest than now; secondly, local councils saw quite clearly that all they had to do was to sit out the consequences for one year until the traditional system of control in volume terms was restored. Under this system, each year's grant is not only inflation-proofed by retrospective adjustment but is also fixed in relation to the actual trends of local spending for grant purposes rather than by reference to what was allowed (in real terms) in the previous year.

It is possible that the Government might fix the next rate support grant, which would be for 1976-77, in cash terms. But it does not seem very likely. The margin of error involved in guessing the rate of inflation up to 15-18 months ahead is such that the chances are that local authorities would receive either much too much, in which case the exercise would be meaningless, or much too little, in which case it would surely break down.

What is more probable is that

Ministers will announce that the next rate support grant increase orders (the mechanism whereby the grant, as fixed in real terms, is subsequently adjusted in the light of actual cost trends) will be based upon a 10 per cent allowance for increased pay together with the normal allowance for the higher cost of bought-in supplies. In other words, cash ceilings would be used to reinforce the norms for incomes policy.

Local authority negotiators would thus be faced with a straightforward trade-off between conceding higher pay settlements and not filling vacancies or actually shedding staff. In this respect cash ceilings could be more effective than the current joint monitoring of numbers, which is largely a cosmetic. Offsetting savings could be made in other areas, too.

## Potential

But the disciplinary potential of cash ceilings would be minimal if the impression got about that they would be strictly limited in duration. Nor is this the only possible danger. At the present time, Mr. Anthony Crosland, the Secretary of State for the Environment, is trying hard to convince local authorities that the Government intends to change the practice whereby each year's grant is calculated *de novo* by reference to the actual spending rather than to what was previously allowed.

The limit to real growth in 1976-77 has currently been set at 14 per cent, but this is to be based upon this year's permitted increase which was set at 4.8 per cent. (to allow for "inescapable" on-going commitments). The actual trend of this year's spending is still being assessed but, while some authorities have cut back sharply, it is clear that others have not done so and if the overall effect is an average increase of more than 4.8 per cent, this year then, Mr. Crosland has indicated, the allowance for next year, and the corresponding grant settlement, will be that much lower.

For even this "threat" to be

credible, however, there has to be a measure of restraint not only on the part of local councils but also in Whitehall. Local authority spending has all the momentum of a fully-laden supertanker and, by general reckoning, about 80 per cent, or thereabouts of that momentum is generated by departmental Ministers, their professional advisers, and Parliament. Ministers are constantly urging councils to develop or improve this or that service—a pressure which is reinforced at the professional level by the interchange of ideas among specialist staffs in Whitehall and town halls.

Even now the Government is passing through Parliament legislation, such as the Community Land Bill and the Employment Protection Bill, which will add further to the duties and staffing of local authorities. The forward revenue implications of new capital expenditure, which has been running at an historically high rate, may not yet be fully realised by those in Westminster who are calling for restraint.

Mr. Crosland has acknowledged the point—and local authority representatives are making use of his new consultative council to ensure that this aspect is not overlooked. But the point is that cash ceilings or any other attempt to set a firm limit to local spending will break down unless Ministers themselves are prepared to follow the implications through. At the present time, the relationship between local and central government is nominally one of partnership albeit unequal but with at least lip-service paid to the idea of local autonomy. This inevitably leaves a margin of ambiguity, which enables governments to appear both tough and expansionist as circumstances require. There has already been some back-sliding—ever housing improvements, for example. In the absence of consistency, between the pressures for greater expenditure and the urgencies for overall restraint, cash ceilings and next year's 12 per cent limit on real growth will both lack credibility.

## Rough justice for the corporate sector

BY SANDY McLACHLAN and ELINOR GOODMAN

THE SUCCESS of the package outlined by the Chancellor in broad principle yesterday will depend almost entirely on the confidence which it generates on both sides of industry as to its effectiveness. Therefore, the forthcoming White Paper is likely to hand down rough justice on two counts, the time element (it is promised within ten days) allows little scope for sophisticated drafting, and the need to make the provisions stick in a form acceptable to all leaves little room for exceptions.

On the face of it the corporate sector has good reason to fear the effects of the tough line laid down by Mr. Healey about wage settlements over the 10 per cent norm. After all, this is an addition to a Price Code which already bears hard on industry. To give just one example, there are a number of food manufacturers already on the point of going broke—Mrs. Shirley Williams has admitted as much—and any penalty for excess wages settlements coming out of minimal profits—adding to existing losses—could be the last straw.

On the other hand, industry has good reason to breathe a deep sigh of relief, at least about the bare outlines of the Chancellor's proposals. Immediate tightening of direct price controls, much canvassed in some quarters, has not materialised; nor has an outright freeze on prices.

## Cost problems

There is an argument that a freeze on prices, if matched by a freeze on incomes, would actually have benefited manufacturers, since productivity is on the increase. There are, however, two possible flaws to this: it would mean manufacturers absorbing price increases already in the pipeline, which some of the hardest pressed would be unable to do; and it is unlikely that the Government would have left any productivity loopholes unplugged.

Anyway, the measures proposed could be favourable to manufacturing industry, although what it means to be any distributive trades is at this steeper in reverse.

This leads to the question of where the mechanism of the Price Commission could come in, and Sir Arthur Cockfield could find himself—however reluctantly—taking on the role played by Sir Frank Figueras in the now defunct Pay Board. But another thorny problem is how those companies who are already entitled to operate under the safety net provisions of the existing Price Code should be treated.



Mrs. Shirley Williams: aware of the problems which the existing controls are creating.

One complaint about the present Code is that although a large number of companies are entitled to resort to the safety net clause, a substantial proportion find themselves unable to do so for one reason or another (for example, competitive pressures in the market place). To subject them to the 10 per cent rule could break them if they are not faced with powerful union negotiators, but to exempt them of the whole package since each exemption weakens the principle of universal application.

## Watchdog

An idea which has gained a good deal of acceptance within the Department of Prices and Consumer Protection was that the Price Commission should become a much more general watchdog over prices along the lines of the old Prices and Incomes Board. But now it may very well figure prominently in the policing of the 10 per cent rule on companies. This may not be popular with members of the Commission, but it is an obvious possibility since the Commission is an established watchdog with offices, staff, and defined procedures for dealing with companies on points of detail.

Detail is going to be very important both in the White Paper and in the implementation of the regulations which result from it. Questions which have to be answered at this stage include, for example, what happens to existing productivity deduction and will companies within the 10 per cent norm still be subject to it? (If, of course, the existing sliding scale deduction becomes considerably less centive for future investment, penal on company profits than it is at current rates of wage settlement.)

The 10 per cent norm itself requires definition. As the PIB on any excess wage settlement discovered, there are lots of ways of defining labour costs and it makes a good deal of difference whether one talks of the total wage bill or unit labour cost. Whatever formula is at that stage by both the CBI and the TUC. In today's much changed climate it may well be acceptable to both of them as the best option in a voluntary which has to decide on the merits of each case. This is package.

It is clear therefore that a lot of work has to be done both before and after the publication of next week's White Paper, and it is to be hoped that the drafting of the latest rush package on company prices and profits is not as loose as it was on some previous occasions. But at least Mrs. Williams and her Department are now keenly aware of the problems which existing controls are creating and the areas where anomalies are biting hardest. It is plain too that the Chancellor will bear in mind the need to maintain the incentive for future investment, however tough his proposals must appear to be.

The main proposal that affects companies—the inability to pass on any excess wage settlement in the form of higher prices—is not even new. It was put forward by Mrs. Williams last year in a consultative document on the Price Code and was rejected cost. Whatever formula is at that stage by both the CBI and the TUC. In today's much changed climate it may well be acceptable to both of them as the best option in a voluntary which has to decide on the merits of each case. This is package.

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## Letters to the Editor

## Over-spending on food

From Mr. E. Smith.

Sir,—Following the publication by the Ministry of Agriculture of the National Food Survey for the first quarter of this year, stating that the weekly food bill for the average family in Britain has risen to a record £3.46 per person, I have asked my wife to reimburse me with a substantial sum of money, which she has obviously over-spent on food during the course of the last few months.

In turn, my wife has asked me how she should go about the preparation of meals, leaving aside in-between items for her self, myself and two growing and very hungry boys, allowing for the fact that she has £13.54 to spend (4 x £3.46 and 70 pence for 5 x 7 min 5) for which to cater.

I have responded by stating that anyone knows that you can get a good wholesome meal anywhere for 17.51889p!

E. R. Smith,  
47, Felstead Road,  
Orpington, Kent.

## Rail pensions liabilities

From the Director General, Royal Institute of Public Administration.

Sir,—I was saddened to read in Colin Jones' article in the Government's transport policy (June 30) that the Exchequer has now committed the taxpayer to a further payment of no less than £97m. to help fund the railways' pension liabilities.

The latest accounts for the railways' pensions, funds are currently being printed, but those for financial years ending in 1973 showed income of £38m., expenditure of £22m. and a revenue surplus of £38m. Why, therefore, should the taxpayer be required to place another £97m. in the hands of the managers of the various railways' pension funds?

This Exchequer donation will no doubt require newly borrowed money for which the Government will presumably have to pay an interest rate of about 14 per cent. We are not informed of the period over which the debt is now incurring in order to swell the annual surpluses of the railways' pension funds, but the cost to the taxpayer will be some £15m. a year for many years. Surely it would be more much cheaper—and therefore in the national interest—for the taxpayer to underwrite any losses that the pension funds might ultimately incur if and when their revenue accounts fall into deficit.

Subject to what the latest accounts may say, this is not likely to happen for a long time and if the funding of railways pensions liabilities continues meanwhile we can be sure that the present £97m. will be neither the last, nor the largest of the capital subsidies that the taxpayer will be called upon to meet.

I have read with much interest your current series of major articles on the problems of reducing public expenditure. A fresh look at the methods of financing the pensions of employees of the nationalised industries and of local authorities offers one of the quickest and least difficult ways of making progress towards that very desirable and measurable end.

Raymond Nottidge  
Royal Institute of Public Administration,  
Hamilton House,  
Mableton Place,  
W.C.1.

## Debentures for investment

From Mr. H. Lawless.

Sir,—If we are to improve both our general economic situation, and rewards to providers of capital and labour, it is vital to improve industrial investment. Membership of the European Economic Community means that we must tread warily when Governmental sources aid particular enterprises as part of a less than ideal industrial assistance.

Instead of devoting huge funds to the nationalisation or near-nationalisation of particular concerns in order to secure control of the commanding heights of the economy, it would make better sense to find ways in which these funds can be used to boost industrial investment. One such method could be to make more use of debenture stocks or some variation thereof. Investors will be aware that such stocks carry a relatively low return due to the security of the enterprise, which is usually backed by a lien on some or all the physical assets of the enterprise. A one or two per cent debenture stock would stand little chance of sale in the open market, but a Government could take up such stock.

If such loan stocks were to be secured on the newly-acquired machinery then there would be some basic substance to what would be in effect the taxpayers' investment and the stock could be redeemable at some future stated time. Increased returns to the Exchequer via future Corporation and income-tax (resulting from greater productivity and profitability) would be the main return to the long-suffering taxpayer.

Another approach to the problem might be Government loan-back system, in which an official department purchases stated assets and leases them

back to an enterprise; this might prove more appropriate for unincorporated organisations. Wouldn't these be better uses for the resources of "Finance for Industry" than any front or back door nationalisation of private enterprise?

H. Lawless,  
Senior Lecturer in Accountancy,  
The Polytechnic,  
Queensgate, Huddersfield.

## NUBE and the TUC

From Mr. J. Orchard.

Sir,—I strongly object to the National Union of Bank Employees' decision to go cap in hand, prodigal fashion to the TUC seeking a return to that body. It is NUBE that kept in line regarding the Industrial Relations Act and it was distinctly wrong of the TUC to evict NUBE from its house.

As far as I am concerned the TUC is far too political and biased to serve the purpose of NUBE with members of all political persuasions, and I am flabbergasted to know that the decision to apply to return to the TUC was overwhelmingly in favour at the conference. Also it is ludicrous to think that if the application is accepted by the TUC it is almost a certainty that it will impose a penalty of £30,000 being the bank revalidation fee, and if NUBE spends any of my fees on this outstanding amount I will most certainly seek advice on the matter.

Finally, this country is in a most appalling plight financially, yet some of the strong unions of the TUC continue to wield the whip demand and get all the currents from the cake, thus weakening our position still further. In view of this and as a responsible union member of 35 years' standing, I prefer to keep away from the controversial home that expelled a sincere member, NUBE.

J. Orchard,  
160 Maltings Lane,  
Essex.

## Policy for tourism

From The Chairman, EMI Hotels and Restaurants.

Sir,—Mr. Sherman's plea (June 24) to be spared the insult to his intelligence by the special pleading of vested interests like my own has a cracked ring about it which is impossible to repair without a complete re-evaluation of the industry. Mr. Sherman that the vested interests which I try to represent are those of the tourist industry as a whole in the hope of bettering the national economy.

The issue is becoming clear and well defined. Do most people support a policy of expansion which, inter alia, should include a plan for management of tourism or alternatively do they prefer that tourism be controlled under regional plans of management with no growth objectives? I believe that the vast majority of the British people will not accept Mr. Sherman's statistics, logic, and moreover will disagree with his reasoning.

It is good that an anti-tourist has put his case and I am sure that both his case and mine will be considered carefully by all concerned. I hope that in the final analysis, Britain will go for growth and concentrate as much on improving her share of the expanding world tourism market as she does on her markets for other major products.

M. A. Bosman,  
EMI Hotels and Restaurants,  
Victory House,  
Leicester Square, W.C.2.

## Teachers' pay

From Mr. C. Reece, Mr. D. Tweedie, and Mr. M. Ruane.

Sir,—In December 1974 teachers received a 30 per cent pay award. Unlike previous occasions, the supportive professional advisers did not receive an equivalent increase to maintain salary differentials.

Originally 10 per cent was offered to educational psychologists and rather more to advisers and inspectors of schools. This has been slightly increased but it is reliably reported that even this will be withdrawn at the next round of negotiations on July 2!

Recruits for further training to our wholly graduate profession come from the ranks of experienced, qualified teachers. The present anomalous salary position, however, makes such a move a distinctly unattractive proposition. This is particularly so as there is already a chronic shortage of educational psychologists. Further, a recent Department of Education and Science circular 2/75 has given us a decisive role in the placement and education of children with learning problems.

In view of the present national controversy about standards in education, it seems incredible that our employers propose manifestly unjust treatment of those to whom they turn for advice and help.

Our advice to teachers who contemplate becoming educational psychologists is—don't!

C. J. Reece, D. A. Tweedie,  
M. J. Ruane,  
Child Guidance Service,  
Littleton Street West,  
Walsall,  
West Midlands.

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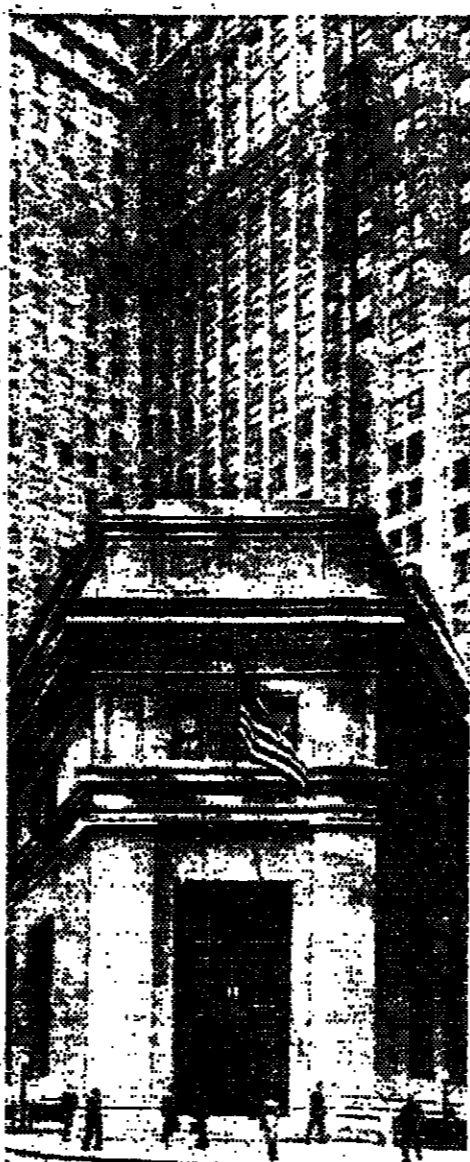
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# Standard & Chartered level after provisions

AFTER PROVISIONS totalling some £16.7m, taxable profits of the Standard and Chartered Banking Group emerge marginally ahead for the year ended March 31, 1975.

The provisions comprise an additional £6m against advances and an additional £10.7m for pensions.

Providing for tax and minorities the net attributable balance, before extraordinary debits of £4.6m, (£15.7m), emerges lower at £29.6m, against £32.4m, — equal to earnings of 49.3p (58.5p) per £1 share.

The dividend is raised by the maximum permitted — from 12.5p to 13.25p net, with a final of 7.045p.

Accounting policies adopted are consistent with those applied in previous years and include a charge for bad and doubtful debts made in arriving at trading profit which is based upon average experience for the current and four preceding years.

When the resultant provision differs from the amount considered adequate the shortfall or excess is charged or credited to profit and loss account as a special item, the directors explain.

Trading profits include those of The Hodge Group for the year ended February 28, 1975 and of the Standard Bank and Standard Bank Swiss Leone for the year 1974.

Extraordinary items, which include certain items formerly dealt with in reserve, comprise: Excess of cost over the book value of net tangible assets of subsidiaries acquired during the year £4.4m, (£15.5m); Net losses (profits) on sales of properties, subsidiaries and trade investments and sundry items, (£183,000) (£2.18m).

● **comment**  
The market did not know what to make of Standard and Chartered's preliminary figures yesterday — at one stage, the shares rose 15p, before closing a similar amount lower at 48p. But while the rate of profits growth certainly slowed down between the two halves of last year, the overall performance was still good going by banking standards for the period.

Pre-tax gain was 58 per cent, before the special items: the provisions on advances cover several debits, rather than a particular one, while the pension provisions reflect a topping-up of a deficiency in its fund, on the same lines as similar provisions by other companies this year. Although no forecasts are being made about the current year, the company says that business has been affected by the economic downturn except in those countries cushioned by oil revenues — notably Nigeria which, together with South Africa, had a particularly good year in 1974-75. The main attraction of the shares, of course, is the big overseas earnings content rather than the yield of only 4.4 per cent.

Statement, Page 23

**MOTHERCARE AHEAD**

Sales of Mothercare showed a 22 per cent increase in the first 12 weeks of the current year ending March 1975 compared with

## Peak £0.85m. by Weston Evans

AN ADVANCE in pre-tax profit from 0.7m to a record £0.85m, for the year to March 31, 1975, is announced by Weston-Evans (Holdings), the engineering and packaging materials group, after £445,243 against £392,134 in the first half.

Stated earnings per 20p are up from 7.5p to 7.9p and the dividend total is up from an adjusted 2.235p to 2.2815p net, with a final of 1.4608p.

The chairman, Mr. F. Crosland, says that with order books at a lower level the outlook for the immediate future is "somewhat discouraging" and bears out his earlier warning.

Activity is still buoyant in the mechanical and pneumatic handling equipment and lifting gear divisions but demand in the other fields of activity is stagnant.

There are some signs of "slight improvement" in business in the U.S., partly due to the special efforts being made to extend packaging forms produced by Brown Products Inc. — One is led to hope that the anticipated revival for the autumn is now under way," he adds.

Referring to 1974-75, Mr. Crosland says that the results could have been seriously affected but for the excellent order book at the beginning of the year. The mechanical and pneumatic handling and the lifting gear divisions have enjoyed a full activity thereby vindicating the Board's policy of spreading its engineering activities over as wide a field as possible.

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Statement, Page 23

**MOTHERCARE AHEAD**

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## Rothmans down but pays 1.52p

TURNOVER (excluding VAT) of Rothmans International for the year to March 31, 1975 amounted to £10.2bn, and taxable profit was £21.41m. This compares with £988.25m, and £27.21m for the previous nine months, with the profit figure at £37m. on an annualised basis.

After six months taxable profits were down from £19.2m, to £14.32m.

Basic earnings per 123p share are given as 3.5p for the year compared with 2.2p, or, fully diluted as 3.8p against 4.4p.

Taking into account the prospect of a recovery in profits during the current year the directors recommended a final payment of 0.9788p net making a total of 1.235p (1.428p for nine months), costing £2.38m. (£1.79m).

Turnover (incl. VAT) for the year ended March 31, 1975 was £10,200,000,000, compared with £9,882,500,000 for the previous nine months. The increase in turnover was due to a combination of factors, including a rise in the volume of business in the cigarette and tobacco divisions.

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## B & C chief warns of bulk carrier lay-ups

IN HIS ANNUAL statement, Sir Nicholas Cuyler, chairman of the British and Commonwealth Shipping Company, confirms that group profits are holding up reasonably well, although it is still too early to assess the year's outcome.

As regards Britain's continued membership of the EEC he says that although this is no passport to prosperity, it may be an opportunity to consolidate a base for world-wide trading activity.

As reported June 20 group pre-tax profit at £18.15m, for the year 1974, compared with £15.98m, including profits of £20.6m, on contracts completed in earlier years.

Excluding those exceptional profits the balance of £18.15m, compares with the November, 1974, forecast of some £15.4m.

In a different year the shipping figures have improved, with an increased contribution from liner services and bulk carriers. However, the latter activity, which has been of short duration, for with a reduction in world trade, current fixtures are unprofitable and it is inevitable that the corrective of lay-up, warns Sir Nicholas.

He tells members that much of senior management's time has been devoted to the processing of the plan for the introduction of containerisation in the South African trade. A ship has been ordered by OCL and is expected to arrive in service in the latter part of 1977. After the initial teething troubles OCL has shown a capacity to make profit and, although the current year's results must be considerably down on 1974 the chairman believes that OCL will go forward and, taking one year with another, should show reasonable profits.

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## Second half rise at Tex

A FURTHER advance in the second half of 1974-75 leaves pre-tax profit of Tex Abrasives up from £205,498 to a record £340,292 for the year ended March 31, 1975.

Dividend total is up from 2.6875p to 2.7065p net, with a final of 2.0367p.

● **comment**  
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## GEI on target so far

THE CURRENT year for GEI International has started with reasonably good order books and profits for April and May are on target, reports the chairman, Mr. Thomas Kenny, in his annual statement.

But he is uncertain of the outcome for the full year.

In subsequent months show a like trend, then results in relative terms would likely be at or near the top of the engineering sector, he adds.

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## McMullen advance

Profit before tax attributable to McMullen and Sons, brewers, wine and spirit merchants and soft drink manufacturers, advanced from £37,231 to £490,770 during the half year to March 29, 1975.

For the full year to September 30, 1974 pre-tax profit was a record £386,000.

● **comment**  
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## S.W. support for private companies

By David Bell  
SLATER WALKER has formed a new subsidiary with an initial capital of £1m to provide medium term finance for private companies in return for equity participation.

Mr. P. S. Berry, managing director of the new company which is to be called Slater Walker Developments, said Slater Walker is seeking to fill the gap between the capital market finance available to public companies and the short term bank finance on which many private companies now have to rely.

Slater Walker intends to make more cash available for the new company by raising funds. Mr. Berry said that he had already been in touch with a number of private companies which had expressed great interest in the scheme.

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These Notes have been sold outside the United States of America. This announcement appears as a matter of record only.

July 2nd, 1975

**BARCLAYS International**

**U.S. \$50,000,000**

**Barclays Bank International Limited**

**9 1/2 per cent. Capital Notes 1982**

Barclays Bank (London and International) Limited  
Merrill Lynch, Pierce, Fenner & Smith  
Securities Underwriter Limited

Kleinwort, Benson Limited

Algemene Bank Nederland N.V. Amsterdam-Rotterdam Bank N.V. Arab Finance Co. S.A.L.

Arab Financial Consultants Company S.A.K. Associated Japanese Bank (International)

Banca Commerciale Italiana Banca Nazionale dell'Agricoltura Banca Nazionale del Lavoro Banco di Roma

Bank Mees & Hope NV Bank of America International Banque Arabe et Internationale d'Investissement (B.A.I.I.)

Banque de Bruxelles S.A. Banque Française du Commerce Extérieur Banque Internationale à Luxembourg S.A.

Banque Lambert-Luxembourg S.A. Banque Nationale de Paris Banque de Neufchâtel, Schlumberger, Mallet

Banque de Paris et des Pays-Bas Banque Populaire Suisse (Underwriters) S.A. Banque de Suez et de l'Union des Mines

Banque de l'Union Européenne Banque Worms Barclays Kol & Co. N.V. Baring Brothers & Co.

H. Albert de Bary & Co. N.V. Bayerische Hypotheken- und Wechsel-Bank Bayerische Vereinsbank

Joh. Berenberg, Gossler & Co. Bergens Privatbank Berliner Handels-Gesellschaft-Frankfurter Bank

Brown Hartman & International Banks Ltd. Caisse Centrale des Banques Populaires Caisse des Dépôts et Consignations

James Capel & Co. Capitalfin Internationale S.p.A. Cazenove & Co. Christiania Bank og Kreditkasse

Citicorp International Bank Commerzbank Compagnia Finanziaria Internazionale S.p.A.

Compagnie Luxembourgeoise de Banque S.A. Crédit Commercial de France Crédit Industriel et Commercial

Crédit Lyonnais Crédit Suisse White Weld Creditanstalt-Bankverein Credito Italiano Daiwa Europe N.V.

Den Danske Landmandsbank Den norske Creditbank Deutsche Bank Deutsche Girozentrale-Deutsche Kommunalbank

Dewasay & Associates International S.C.S. Dillon, Read Overseas Corporation Dresdner Bank Euroseas Securities Ltd.

Fidelity, Newton-Smith & Co. Finance Bank S.A.L. First Boston (Europe) Robert Fleming & Co.

Fuji Kleinwort Benson Genossenschaftliche Zentralbank Limited Antony Gibbs Holdings

Girozentrale und Bank der österreichischen Sparkassen Goldmans Sachs International Corp. The Gulf Bank K.S.C.

Hambros Bank HHI Samuel & Co. Irano Merrill Lynch S.S.K. Kansallis-Osake-Pankki

Kidder, Peabody International Kjøbenhavn Handelsbank Kreditbank N.V. Kreditbank S.A. Luxembourgeoise

Kuhn, Loeb & Co. International Kuwait International Investment Co. s.a.k. Kuwait Investment Company S.A.K.

Lazard Brothers & Co. Lazard Frères et Cie Loeb, Rhoades & Co.

London Multinational Bank (Underwriters) Manufacturers Hanover Merck, Finck & Co. Mercur-Bank S.A.

Merrill Lynch, Royal Securities Limited Samuel Montagu & Co. Morgan & Cie International S.A.

Morgan Grenfell & Co. Nesbitt, Thomson The Nikko Securities Co., (Europe) Ltd. Nomura Europe N.V.

Nordiska Föreningsbanken Ab Österreichische Länderbank Pierson, Heidring & Pierson

Post- och Kreditbanken, PKBanken Privatbanken i Kjøbenhavn Rea Brothers N. M. Rothschild & Sons

Rone & Pittman, Hurst-Brown Scandinavian Bank J. Henry Schröder Wagg & Co. Joseph Sebag & Co.

Skaandinska Enskilda Banken Smith, Barney & Co. Société Bancaire Barclays (Overseas) Société Générale

Société Générale de Banque Strauss, Turbail & Co. Sumitomo White Weld Svenska Handelsbanken

Swiss Bank Corporation (Overseas) Trident International Finance Ltd. C.G. Triplaks & Burckhardt

Union Bank of Switzerland (Securities) Ltd. Union de Banques Arabes et Françaises - U.B.A.F. Verens and Westbank

S. G. Warburg & Co. Ltd. Westdeutsche Landesbank Girozentrale Wood Gundy Yamachi International (Europe)

**TPG early dividend recovery**

Shareholders of Thomas Pate and Gladstone China were promised a scrip issue and an early dividend recovery by the chairman, Mr. Albert Bartlett, at yesterday's annual meeting.

Mr. Bartlett said these steps would follow the projected sale of quoted and unquoted investments to Newman Industries.

Referring to the reasons for the projected sale of TPG Investments, Mr. Bartlett said Newman had the resources to develop the portfolio.

By transferring our investments to Newman Industries we will retain a direct interest in investments and will share in the future profits of the company's concern," he added.

He told the meeting that TPG had given an undertaking to the Stock Exchange to "second arm" the company. Discussions were now in progress to establish the vehicle for this new investment.

It was planned that the next major investment would be a company with sufficient resources and the ability to create a structure of assets which would be to the ultimate benefit of the TPG shareholders.

**Encouragement for Lesney**

The 7 percentage points devaluation in the value of the pound since he wrote his annual statement would have a favourable short-term effect on the international trading position of Lesney's. Mr. Paul Tapscott, the chairman, told yesterday's annual meeting.

While the way ahead remained uncertain the outlook was rather less bleak than previously indicated, with sales in the first 16 weeks of the current year at a record and group profit currently showing an improvement. "I would hope, therefore, that shareholders will not be disappointed by the report for the first 24 weeks trading when it is released in October," said Mr. Tapscott.

**GALAH CEYLON**

As from July 1, the Sri Lanka Government has taken over the three estates of Galaha Ceylon Tea Estates.

The sale price, which is subject to approval by the Sri Lanka Cabinet, has not been disclosed. Shareholders will be notified in due course when negotiations are complete.

**Zinc Alloy earns and pays more**

After an advance from £55,000 to £82,447 at midway pre-tax profit of Zinc Alloy Rust-Proofing Company expanded from £12,034 to £16,884 for the year to April 30, 1975 or turnover up from £736,653 to £1m.

Earnings per 5p share are stated at 0.99p (0.7p) and a final dividend of 0.4398p net raises the total from 0.37p to 0.5146p at a cost of £44,065 (£22,127).

Mr. Jessel reports that the group's production interests in Kenya, Malawi and Papua New Guinea again benefited from high commodity prices.

Tea prices have remained firm in 1975 and the directors expect the upward trend to continue.

Rubber is also showing signs of recovery and prices have recently exceeded 30p per kilo again for the first time in 1975.

Although reaching a peak of \$50 a ton in 1974, has fallen to \$25. The directors are hopeful of a recovery shortly.

The Andros say they are unable to determine the adequacy of the provision against the investment in Associated Fisheries.

**FPE GROUP**

Food Containers, a subsidiary of FPE Group, has sold its take-away food division to Automatic Catering Supplies, a subsidiary of British Vending Industries, for £83,139.

Food Containers take away food division specialises in supplying Chinese and Indian take-away food shops and food wholesalers supplying to the

**UK Optical & Industrial Holdings**

Europe's biggest manufacturer of ophthalmic lenses and a leading supplier of spectacle frames

**"A further year of satisfactory progress"...**

Salient points from the Statement by the Chairman, Mr. G. C. D'Arcy Biss

- 1974/75 results reflect a further year of satisfactory progress by the Group, and pre-tax profit increased by 21%.
- The Company is in the process of raising £1.7 million by means of a 1-for-4 rights issue at 65p. (Last day of acceptance 17th July, 1975).
- The total dividend for the year 1974/75 of 13.5p net represents the maximum increase of 12.5% allowed under current legislation in view of the proposed rights issue H.M. Treasury has agreed to consent to dividends totalling 4.2p per share net, an increase of approximately 33%, in respect of the year 1975/76. Subject to unforeseen circumstances, the Board intends to recommend dividends at this level.
- Turnover and profits of most major companies in the ophthalmic group at home and overseas increased, and sales outside the UK together with exports represented 37% of total turnover. The ENOT Group in particular had a good year.
- The broadening of the Still Group's interests in recent years stood the Group in good stead and sales and profits increased.
- FUTURE PROSPECTS—Economic prospects in the UK at present are uncertain. However, the Group is in a stronger position than most to withstand any future difficulties.

**PROGRESS RECORD**

	Sales	Pre-tax Profit	Earnings per share
1974/75	£24.0m up 18.5%	£2.8m up 21%	11.3p
1973/74	£20.3m	£2.2m	10.5p
1972/73	£15.5m	£1.7m	9.5p

Copies of the Report and Accounts are available from:  
The Secretary, UK Optical & Industrial Holdings Ltd., Bury Hill, London NW7 1EN.

## Further moves in battle over Sheffield Twist

BY DAVID BELL



Travel House, East Harding Street, London EC4P 4HB



# 'Use N. Sea oil money for Scottish tourist industry'

SOME OF the money from North Sea oil should be used to develop leisure and tourism facilities in Scotland, the Scottish Tourist Board says in its annual report, published yesterday.

Oil will undoubtedly bring substantial economic benefits to many areas of Scotland, and a prosperous tourist industry should be built on a base of overall economic prosperity, the Board says.

"Equally, however, oil will take something out of the leisure environment, especially in the West and the Islands. We think, therefore, that the benefits of

oil and the revenues produced should in part be used to restore the balance.

"If this country wishes to use some of its environmental resources to produce oil—and no one with the economic prosperity of Scotland at heart would wish otherwise—then part of the financial benefits should be used to provide new facilities for leisure, and to conserve and enhance the landscape wherever this is practicable."

The report says such policies will become increasingly important as the demand for quiet recreation grows.

## W. Africa shippers' costs rise

By James McDonald, Shipping Correspondent

THE EFFECT of present and anticipated rises in costs "presents an appalling prospect of what the U.K.-West Africa Lines Joint Service must pass on to their customers at the time of the next freight rate increase," say member lines in the shipping conference's report for 1973 and 1974.

The increase was the result of inflationary settlements and must be much sooner than UKWAL would wish, being to the detriment not only of the members but of the trade as a whole.

Wage awards had been agreed in the U.K. up to April of approximately 30 per cent. to London dockers and 30 per cent. to ship officers, while the seamen's union had refused an offer of a 30 per cent. increase.

Wage inflation in the U.K. continued at a rate of nearer 30 per cent. than 20 per cent. The effect of cost increases in Nigeria was becoming evident as were 50 per cent. and 300 per cent. increases in Ghana port and stevedoring charges at the end of last year.

All these increases must be seen against a background of a freight rate increase of 25 per cent. last March to take in increased costs during 1974, the report said.

Member lines of UKWAL are: Elder Dempster Line, Palm Line, Guinea Gulf Line, Black Star Line of Ghana; Nigerian National Shipping Line; Hoegh Lines; and ACE Containers—the container company operated by the other member lines of UKWAL.

## Plaid seeks European partnership

THE COMMON MARKET should move in the direction of a confederation of self-governing European states, rather than political union, Plaid Cymru said in a memorandum published yesterday.

The memorandum has been presented to the Welsh Affairs Committee of the House of Commons by Mr. Dafydd Iwan, Plaid Cymru MP for Gwynedd, who is meeting a Plaid Cymru delegation led by Mr. Gwynfor Evans at the Welsh Office in Cardiff today. Mr. Iwan is drawing up a report for the EEC heads of state on the question of European union.

The memorandum said a directly elected European Assembly with power to scrutinise the working of the European Commission would mean more centralisation, with power drifting away from member-states to an embryonic EEC Government based on the European Assembly and the Commission.

Plaid Cymru proposed a partnership of European nations, taking the form of a European Confederation which would be responsible for maintaining free trade and co-ordinating regional policies to any adverse effects. It also said the setting-up of EEC offices in Cardiff and Edinburgh had already recognised the national status of Wales and Scotland.

## Crosland to be asked for transport White Paper

MR. ANTHONY CROSLAND, the Environment Secretary, is to be asked in the Commons today to produce a White Paper on the transport system, Mr. Leslie Hunkle, Labour MP for Nunatun, who has tabled the question said yesterday. "It must be stressed... again that decisions on the transport system should not be made in isolation."

Mr. Crosland's announcement on Monday that the railways were seeking higher fares and charges and were looking at the level of manning and services was an indication that a partial decision was being made about transport.

Mr. Hunkle is chairman of the Labour Party study group which produced a transport policy three months ago urging the setting up of a National Transport Authority. This report said the case for subsidising rail commuter passenger services was strong, but that some capital expenditure should be applied to enable the railway labour force to be reduced.

Some rural and cross-country passenger services could hardly be justified, but no Government could regard major reductions in railway mileage as politically acceptable.

Mr. Crosland was chairman of this study group until he was appointed Minister, when Labour took office last year.

## The foreign quarter of Yorkshire's newcomers

ABOUT A QUARTER of the people who moved into Yorkshire and Humberside in 1970 were from outside Britain, according to a census report out today.

The report, based on a 10 per cent. sample, says that of the 510,180 people in the region who moved house, 422,490 had changed addresses within the region, 88,040 came from other parts of Britain, and 19,650 moved in from outside Britain.

Of people moving between Yorkshire and Humberside and

other regions of Britain, the largest numbers moved to and from the South-East, accounting for 26 per cent. of the total out-flow and 24 per cent. of the in-flow.

The region had a net loss of 14,780 from moves to and from the rest of Britain.

Migration Report (10 per cent. sample) Yorkshire and Humberside Region (Part 1), Office of Population Censuses and Surveys, SO, £3.70.

## Recycling of water urged in textiles

RECYCLING of water could give significant savings to textile companies, says Wira, the Leeds-based textile technical centre.

A report by the centre quoted the example of Hield Brothers, of Morley, near Leeds, who, by installing equipment which recycled the final rinse water from 10 worsted piece scouring machines the company had reduced its usage of mains water by about 20,000 gallons a day. It could expect a reduction in its annual water bill of up to £2,000 at a capital cost of about £3,500.

This had been achieved after a feasibility study carried out by Wira and the company. Earlier surveys had shown that about half the rinse water discharged from piece scouring machines was suitable for re-use without any intermediate treatment.

## Marina plan defeat was 'political chicanery'

THE DEFEAT in the Commons of plans for a £10m. marina at Eastbourne was described by the

town's Chamber of Commerce yesterday as "political chicanery."

Left-wing MPs threw out the Eastbourne Harbour Bill—which would give the go-ahead to the marina project—by 65 votes to 45.

Mr. Derek Skinner (Labour MP for Bolsover), said that the marina—on land owned by the Duke of Devonshire—should not be allowed in the present economic situation.

The Duke said yesterday that the defeat would not mean that the project would be scrapped.

The vote started angry reaction in the town. Mr. John Wood, president of the Chamber of Commerce, said: "This decision is a major blow to Eastbourne. I think the way it was done was the most deplorable piece of political chicanery."

Mr. David Lowe, president of Eastbourne's Hotels Association, described the defeat as one of the "blackest days" in the resort's history.

The Duke of Devonshire said: "Is it right that one tenth of the Members of Parliament should ride roughshod over the views of the local people in Eastbourne and East Sussex who are so much in favour of the scheme?"

The trustees to the Chatsworth Settlement, which managed his Sussex estates, would be meeting shortly to decide on the project. There were three choices. One was to abandon the scheme, another involved going ahead with the inland lake and houses without the harbour, and a third was to reintroduce the Bill in the next session of Parliament.

Liberal councillor Tony Boswall, chairman of the resort's Tourism and Leisure Committee, said that he was "appalled" at the way the Bill was thrown out. The whole of our seafront towards the eastern end had been planned with the harbour in mind. The whole town is behind this scheme."

## Lloyd's figures show numbers of ships sunk

By James McDonald, Shipping Correspondent

DURING the final quarter of last year 60 merchant ships, aggregating 207,000 gross tons—0.7 per cent. of the world's merchant fleet—were lost, according to Lloyd's Register of Shipping statistics published today.

Under the British flag, only four small vessels totalling 1,442 tons were lost. The highest loss was suffered by the Japanese flag with six casualties, aggregating 51,130 tons and representing in tonnage terms 0.13 per cent. of the Japanese fleet.

The Liberian flag lost four ships totalling 37,713 tons—0.07 per cent. of the national flag fleet, and Panama lost five vessels of 13,341 tons—0.13 per cent. of the fleet.

During the quarter, 90 ships were condemned or broken up, not as a result of casualty, and the total tonnage of 500,000 tons represented 0.13 per cent. of world merchant tonnage. Liberian flag tonnage contributed the largest amount to the total—nearly 130,000 tons followed by the U.S. with 108,000 tons.

## COMPANY NOTICES

HOPE STREET FUND

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE HOPE STREET FUND

The Annual General Meeting of Shareholders of the Hope Street Fund will be held at 11.30 on the 28th day of July 1975 at 11.30 for the purpose of considering and voting on the following matters:

1) To hear and consider the reports of the directors and the auditor.

2) To receive and consider the balance sheet and profit and loss account for the year ended March 31st, 1975.

3) To elect the directors and the auditor for the year ending March 31st, 1976.

4) To elect the directors to serve until the next annual general meeting of shareholders.

5) To elect the directors to serve until the next annual general meeting of shareholders.

6) To elect the directors to serve until the next annual general meeting of shareholders.

7) Miscellaneous.

8) Miscellaneous.

9) Miscellaneous.

10) Miscellaneous.

11) Miscellaneous.

12) Miscellaneous.

13) Miscellaneous.

## BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

### PHARMACEUTICAL AND DENTAL

A leading Australian owned Pharmaceutical Group invites an approach from a European based company with a view to joint venture manufacturing and/or distribution in Australia. The company must be research orientated, with strong emphasis on one or more of the following product areas:

Ethical Pharmaceuticals  
O.T.C. Pharmaceuticals  
Ethical Dental  
O.T.C. Dental  
Ethical Pharmaceuticals Fine Chemicals

We envisage the organisation will have a wide distribution—more specifically in the United Kingdom and Europe, and possibly in the United States, Asia and Australia.

A senior executive of our Company will be visiting the United Kingdom and Europe in September 1975 for discussions with principals of prospective companies.

A brief profile of your organisation and further enquiries should be directed to:

Mr. Bruce W. Bagley,  
Washington H. Soul Pattinson & Co. Ltd.,  
P.O. Box 22,  
KINGSGROVE, N.S.W. 2208, AUSTRALIA

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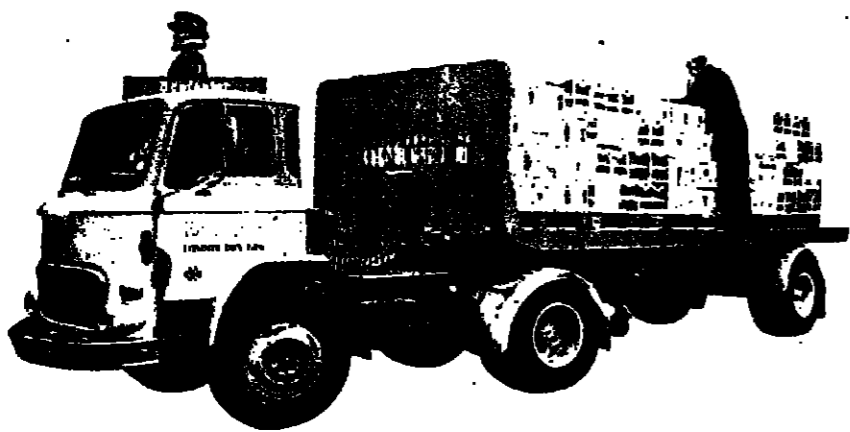
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TENNIS BY JOHN BARRETT

# Connors' service return overpowers Ramirez

ON A DAY full of brave deeds and gallant losses Wimbledon provided a fitting hors d'oeuvre for the feast that lies ahead. Four rugged men's quarter-finals matches resulted in three American victories and an Australian survival against the odds.

Elsewhere, the last of the eight seeded pairs were removed from the men's doubles—an unprecedented happening that underlines the hungry talent rising in the world game—and in the women's doubles the only seeds still alive are Billie Jean King and Rosamunde Casals, the second favourites.

And revelling in it all on another perfect day was a marvellously enthusiastic gallery—another 27,745 to add to the seven-day total of 277,925. With the 80,000 tickets already sold for the two show courts this assures that last year's record of 306,161 will be broken.

## Contrast

The holder and top seed, Jimmy Connors, U.S., came through with awesome authority against Mexico's No. 8 seed, Raul Ramirez, 6-3, 6-2, 6-2 and answered the only crisis in the 12th game of the second set with some punishing returns that broke Ramirez as he served to level the match at 6-5.

The way Connors responded to a doubtful line call that cost him his service then marked him as a champion—a sharp contrast to the petulance of his friend and doubles partner, Flie Nastase, who allowed a similar incident to destroy him last week.

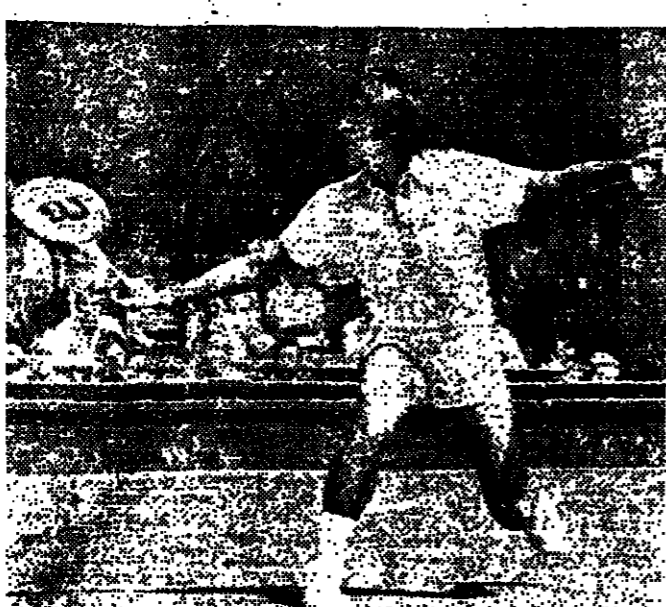
The break was occasioned by a disturbance on a Connors forehand volley that appeared to land inside the Mexican's backhand line. After a short discussion, Connors attempted to maintain his concentration but saw a beautiful Mexican backhand dip quickly past him.

Commenting on the decision afterwards Connors said: "I wouldn't be a linesman for a million dollars, particularly if I was playing."

The disturbance appeared to sting the champion into action, and he now played the best tennis of the match as he broke back at once to 30 with a flashing forehand pass, served smoothly, then held serve to 30 with a well-controlled smash, and broke again to 15 with fierce, unplayable returns and passes that no one, I feel, would have reached. That had been a 54-minute battle of wits, but from the way Connors had moved smoothly into a higher gear when danger threatened, one felt that Ramirez was simply not well enough equipped to stand a chance of bringing down the champion.

Thus Connors has yet to lose a set in these championships and he now plays another American, Roscoe Tanner, the 11th seed, and the man who beat him 7-5, 6-3 two weeks ago in the John Player Tournament in Nottingham.

In a heavyweight slugfest yesterday, Tanner found his touch on his service returns just in time to end the hopes of Argentina's Guillermo Vilas, the fourth seed, in five sets 6-4, 5-7, 6-2, 6-2, 6-0. Commenting upon his forthright semi-final with Connors, Tanner said: "I feel much more confident this year. I won Las Vegas and best Connors a couple of weeks ago. I guess I gave Jimmy some problems—he didn't break my serve. I gave



Ramirez on Court No. 1 playing against champion Jimmy Connors.

him something that he couldn't figure out."

Certainly, the blistering left-handed serve is the rock upon which his uncompromising game is built, and its bludgeoning power yesterday eventually broke the South American's proved quality on grass, for he is the reigning Masters champion by virtue of victory last December in Melbourne.

It remains to be seen whether Connors' brilliant returns can do against the Tanner serve what Vilas was unable to achieve.

The victory of sixth seed Arthur Ashe over the brilliant young Swede, Bjorn Borg, seeded three, was tinged with sadness. An injury to his right leg, sustained at practice at Queen's Club yesterday morning, eventually robbed Borg of his mobility.

After a brilliant start that won him the first four games and the opening set, Borg was beaten by the 30-year-old Australian Tony Roche, another left-hander, the 16th seed and the man who defeated another hero of yesterday on Saturday, the evergreen Ken Rosewall, 10 years his senior.

Roche responded magnificently yesterday to the challenge of Tom Okker, the flying Dutchman, who was seven places above him. After reeling from the Dutch top spin onslaught in the opening set, he survived a magnificent tie break by points to 11 to take the second set.

## JERSEY-FRANCE LINK STARTS

A Hoverferry service between Gouy Barbour in Jersey and Carterot on the French mainland was inaugurated yesterday by a cross between a Hovercraft and a catamaran. It has a speed of up to 35 knots and does the 14-mile crossing in 30 minutes.

The Hoverferry operated by Hovercross, a Jersey company with local and French directors, was built by Hovermarine Transport, of Southampton.

## FENLAND PAPER GOES GIVE-AWAY

The Wisbech Advertiser and Pictorial, published in Cambridgeshire since 1845, switches to a give-away to-day with a guaranteed circulation of 20,000. It will be known as the Fenland Advertiser, with 32 pages, and will be delivered free to homes and businesses. The newspaper, which previously cost 5p, had a circulation of 9,000.

A company spokesman said there would be no redundancies, but a small amount of job re-adjustment.

RACING BY DOMINIC WIGAN

## Branded for Bell

THERE ARE few, if any, more improved horses in the North than Branded and, despite his rapid rise in the weights, I shall be disappointed if Mick Easterby's game gelding cannot gain his fifth consecutive victory to-day.

Shaw's Salmon's mount, a Carlisle specialist, bids for his third course victory on the pear-shaped Cumberland course in the long-established Carlisle Bell, for which the gelding was presented by Lady Dacre in the reign of Queen Elizabeth I.

Branded, who failed to score in five attempts as a two-year-old before gaining three successes from ten outings last year, opened his account this term by getting up close home to defeat Prince of Wales from whom he was receiving 12 lb. in the Scafell Handicap over this one-mile course and distance early in May.

Since then, the Malton four-year-old has landed similar events at Redcar and Beverley, and on his most recent outing, the Crown Plus Two Apprentice Championship Handicap at Ayr. Shaken up inside the distance on the Scottish track, Branded ran on strongly to put three lengths between himself and Sunny Jim, to whom he was conceding 4 lb. with Bagin Time a further one and a half lengths away in third place.

In what seems likely to be a much more closely run affair than the Crown Plus Two event, I envisage Branded's useful turn of finishing speed enabling him to cope with Bagin Time, who opposes on 2 lb better terms.

An hour after the Carlisle Bell many racegoers seem likely to be in the Gift Acre ridden by Brian Mellor for her husband, the popular former champion National Hunt jockey, Stan, in the Burgh Hurry Races Commemorative Cup, which the Lambourn owner and his wife won a year ago through Montello.

Although Gift Acre could well go close on his best form, he has

not made the frame in three attempts this term and I believe that the concession of 16 lb to the progressive course winner Young Crosby will prove just beyond him.

Turning to Yarmouth, where that fine 3 lb claiming apprentice Alan Bond, who maintained his fine run at Folkestone yesterday, can keep up his scoring rate through Yverra in the Oulton Maiden Stakes.

The best bet seems likely to be Lord Aquarius, bidding to land the Debbage Handicap for a second successive year. This five-year-old son of Double-U-Jay, trained by Michael Stoute for his wife Joan, showed that he was

**CARLISLE**  
2.45—Longacre  
2.55—Branded  
4.15—Young Crosby\*\*\*  
**BRIGHTON**  
2.00—Grey Ghost  
2.30—Royal Dart  
3.00—Fireball  
3.30—Caspardale  
4.00—Chaplin  
4.30—Deep River  
**YARMOUTH**  
3.15—Lord Aquarius\*\*  
4.15—Kung Fu  
4.45—Viverra

returning to form when keeping on gamely to take fourth place behind Kafka, Honoured Guest and Alaska Highway in the Joe Coral Handicap at Ripon early last month.

I expect Lord Aquarius to be followed home by Verdant Green, an easy winner from Pilgrim Soul over to-day's one-and-a-quarter-mile at the last meeting here.

At Brighton, where Fireball is a tentative choice for the afternoon's most valuable event, the Friend-James Memorial Handicap, it is difficult to imagine Deep River, an impressive winner from Love Rooker in a good time at Pontefract last week, failing to outclass the extremely moderate rivals he meets in the Pevensy Stakes.

## APPOINTMENTS

### Senior changes at Grindlays Bank

Mr. N. J. Robson has been appointed a deputy chairman of GRINDLAYS BANK from August 1. In the absence of the chairman, Mr. Robert Fletcher continues to act as managing director.

Mr. Robson has also been appointed deputy chairman of Grindlays Holdings with effect from that date.

At the same time Mr. E. H. Owen, who will reach the age of 72 on August 1, will relinquish the position of deputy chairman of Grindlays Bank, which he has held since February 1967; but he will remain a director of the bank. Mr. C. R. Vincent and Mr. R. Mann will continue each as a deputy chairman.

Arbuthnot Latham and Co. states that in view of the extra duties its chairman, Mr. Robson, has agreed to undertake as deputy chairman of Grindlays Bank, he will be resigning as chairman on August 1. Mr. Robson will continue as a director of Arbuthnot Latham Holdings, the parent company, but will cease to be deputy chairman of the bank.

JOSEPH SHAKESPEARE AND CO. has become a holding company and has changed the trading name of the company to Joseph Shakespeare & Co. (Old Hill), which now becomes a subsidiary. Mr. Jack Shakespeare has been appointed group managing director of the Old Hill factory to devote more time to the development of the other five companies in the group. Mr. Robert Rutherford is succeeding him as managing director of Joseph Shakespeare & Co. (Old Hill). It is intended that Mr. Jack Shakespeare will remain as chairman of the group when he retires towards the end of this year. Mr. Joseph Shakespeare was previously a director of the holding company.

Mr. G. G. R. MacDonald has been appointed assistant manager, dealing room, at BUTLER TILL, sterling money brokers. At the same time Mr. M. J. L. Brown and Mr. C. M. Dobson have become assistant managers (local authorities), while Mr. G. P. Wilson has been made assistant manager (commercial/local authority lenders).

Mr. James Carver has been appointed Chief Inspector of Mines and Quarries succeeding the late Mr. James Calder. Mr. Benjamin Duckworth has been made deputy chief inspector.

Mr. T. F. Boness has been appointed chairman of the RUBBER AND PLASTICS PROCESSING INDUSTRY TRAINING BOARD. He succeeds Mr. C. C. Hawkins who has been chairman of the Board for the past eight years.

Mr. H. E. Fogel, managing director of HOME CHARM, has been elected chairman. Mr. J. G. Fogel has resigned as chairman but remains a director.

SKETCHLEY has appointed Mr. T. J. P. Sanders to the Board of Sketchley Textile Division. He becomes divisional director responsible for Sketchley Dimensional Weld and Sketchley Dimensional Weld BV, Bladell, Holland. Mr. W. Firth has been made general manager of Sketchley Dimensional Weld, Hineley and London.

Mr. Walter Paton has been appointed a director of BUCK AND HICKMAN, a subsidiary of Town and City Properties.

Mr. G. J. Tifford will be joining the BRITISH PETROLEUM COMPANY and will be appointed general manager of Investments Department on July 7. He was previously deputy investment manager of the Prudential Assurance Company. Mr. P. J. L. Rieck-

mond has been appointed assistant general manager of investments department of BP from that date.

Mr. G. M. Brass, Mr. C. J. Cairns, Mr. D. R. Cameron, Mr. D. Davies and Mr. J. C. Ladeburg have been appointed assistant directors of HENRY SCHRODER WAGG AND COMPANY, not directors of that company as inadvertently reported on Saturday.

Mr. Henry Kewick has been appointed chairman of REUNION PROPERTIES.

Mr. Martin Henderson has been appointed a director of MATHE-SON AND CO.

COUNTY BANK has appointed Mr. Gordon Brown a local director for Manchester, and Mr. Frank Frost a local director for Leeds. Mr. Brown will relinquish his position of overall responsibility for the bank's operations in those areas.

Mr. D. W. Bond, Mr. W. A. Hornby and Mr. O. P. L. Stiles have been appointed directors of STOREY BROTHERS AND CO.

Mr. Steven Kander and Mr. A. Seneel of the specialist and stamp department of STANLEY GIBBONS, have joined the Board of the company.

Mr. D. E. W. Thomas has been appointed managing director of STEEL BROTHERS AND CO., a subsidiary of Steel Brothers Holdings. Mr. Thomas, best known as a former manager of the Canadian subsidiary, Steel Brothers Canadian Holdings.

Mr. D. I. Shaw has been appointed a director of M. H. REINEMANN.

Mr. G. I. Lindsay, Mr. A. Pollard and Mr. G. S. Dezman have been appointed directors of WILLIS FABER (MIDLANDS).

Mr. Roy Everett has been appointed deputy general manager, staff, for BARCLAYS BANK INTERNATIONAL. Previously an assistant general manager, he retains his present responsibilities for management services.

Mr. J. A. Tatem has been elected chairman to the ASSOCIATION OF SHELL BOILERMAKERS for a term of two years. He succeeds Mr. A. L. Hale.

Mr. F. Matt Templeton, commercial director of ROTHWELL PLANT HEALTH, has been appointed managing director.

Mr. Robert L. Jenkins has been appointed managing director—Europe, of the automotive operations international division of ROCKWELL INTERNATIONAL CORPORATION, U.S. He was previously managing director—Latin America.

Mr. Maurice Thomas, previously group manager, engineering and management services, for the British Steel Corporation's alloy and stainless steels works group, has joined the DUNFORD HADFIELD/BROWN BAYLEY GROUP as engineering director.

Mr. Philip Mellor has become managing director of PURNELL BOOK SERVICES, the British Printing Corporation's mail order book company, in succession to Mr. Michael Pateman, who has taken an overseas appointment. Mr. Peter Morrison becomes chairman of Purnell Book Services in addition to his other BPC publishing responsibilities.

Mr. Roy Dainton, a director of Samuel Montagu and Co., has joined the Board of ALLIED INVESTMENTS. Mr. David Bucks, consequent upon his resignation from the Board of Samuel Montagu, has resigned with effect from the Allied Investments Board.

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# WALL STREET OVERSEAS MARKETS + FOREIGN EXCHANGES

## Index sheds 1.57 after consolidation Pound wavers

BY OUR WALL STREET CORRESPONDENT

NEW YORK July 1

MODERATE LOSSES were recorded on Wall Street today when operators reacted to news on the economy and consolidated recent gains.

The close was above the worst, however. The Dow Jones Industrial Average finished 1.57 off at 877.42, after dipping 3.48 to 873.51, while the NYSE All Common Index shed 17 cents to \$30.25, after a high of \$30.42.

Losses led gains by 787-to-854, while the trading volume expanded 960,000 shares to 20.39m.

Brokers attributed the partial recovery to the report that U.S. Factory Orders rose 0.2 per cent in May, the second straight monthly increase, and inventories continued to decline steeply.

It was also reported during the session that May Construction Spending rose by 1.9 per cent, the rise was due to inflation. The Construction Industry has been one of the most severely hit by the recession.

Also in the economic news, Treasury Secretary William Simon raised the possibility of U.S. economic counter measures against Oil Producing Nations if they raise prices again this autumn.

Oil was mixed as major companies raised petrol prices between one and three cents a gallon. Honeywell was down \$1.10 to \$81.10, Control Data \$1.20 to \$20.00, Sperry Rand \$1.40 to \$47.00, and Digital Equipment \$3.10 to \$118.00.

IBM eased \$1 to \$208.00, it announced the development of a new data entry terminal and said it is cutting purchase prices on some data processing equipment 10 to 15 per cent.

Ford Motor fell \$1 to \$40.00. Chemicals and Steels eased, while Gold Mines were mixed. A block of 110,000 shares of Unilever traded at \$2.00, with the issue closing at \$2.00, off \$1.00.

Marley gained \$1.20 to \$26.00 on a proposed sale of Singer's water resources division to Marley. Singer firm \$1 to \$13.00.

Ryder Systems, the most active issue, put on a bid on a turn-over of 233,000 shares. The American SE Market Value Index moved down 0.22 to 93.24, with declines outnumbering advances by 361 to 253.

**OTHER MARKETS**  
**Paris higher**  
The Bourse was generally higher yesterday. Encouraged by President Giscard d'Estaing's broadcast which looked forward to an economic recovery in France in the autumn. Banks, Breweries, Foods, Elec-

tricals, Engineering and especially Motors, led by Peugeot and Renault, were all firmer. Portfolios, Constructions and Stores were narrowly mixed. While Metals slipped back and Chemicals were mainly lower, although Rhone-Poulenc put on \$1.20 to \$117.00.

Golds, Foreign Oils and Canadains were also firm, Americans were mixed, while Coppers were a little lower.

**BRUSSELS** - Mixed to slightly higher in quiet trading. In most cases Steels, Arbed was up \$1.10 to \$117.00 and Cockerill down \$1.10 to \$111.00. Most Metals gained a little. Hoboken were up \$1.10 to \$113.00. Among Steels, Petrolina put on \$1.10 to \$113.00.

Electricals and Utilities eased. Interfratant were down \$1.10 to \$113.00. In most cases Steels, Arbed was up \$1.10 to \$117.00 and Cockerill down \$1.10 to \$111.00. Most Metals gained a little. Hoboken were up \$1.10 to \$113.00. Among Steels, Petrolina put on \$1.10 to \$113.00.

Domestic operators bought mainly in anticipation of upcoming dividend payments. Foreign interest centred on Siemens, the

major Banks, and also Mannesmann, which reported unchanged five-month profit at its annual meeting. Mannesmann gained \$1.10 to \$117.00. Siemens were up \$1.10 to \$117.00. Deutsche Bank rose \$1.10 to \$117.00. Reports that Volkswagen gained \$1.10 to \$117.00 on reports that it is speeding plans to produce cars in the U.S.

Engineers gained up to \$1.10 to \$117.00. Stores up to \$1.10 to \$117.00. On the Bond Market, Public issues shed up to \$1.10 to \$117.00. Federal Loan traded among Banks at 1 per cent discount. AMSTERDAM - Broadly lower in moderate trading. Among Internationals, Royal Dutch gained \$1.10 to \$117.00.

**STOCK AND BOND YIELDS**  
Ind. Ord. yield 6.10% 1975-76  
Govt. Ord. yield 5.10% 1975-76  
Long-term Govt. Bonds 12.50% 1975-76

**TUESDAY'S ACTIVE STOCKS**  
Stocks Closing Change  
Ford Motor 40.00 -1.00  
IBM 208.00 -1.00  
General Motors 35.00 -1.00  
Ford Motor 40.00 -1.00  
IBM 208.00 -1.00  
General Motors 35.00 -1.00

**IND. DIVIDEND YIELD P.C.**  
4.43 4.69 4.60  
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**HOTELS—Continued**

HOTELS—Continued									
Low	High	Stock	Price	%	Vol	Chg	Per	TH	W
40	40	Summit (N.Y. 100)	140	—	—	—	—	—	—
41	41	Lauderdale 100	140	—	—	—	—	—	—
42	42	Lauderdale 100	140	—	—	—	—	—	—
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INDUSTRIALS (Misc.)									
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48	48	A.A.E.	124	—	—	—	—	—	—
49	49	Am Int.	124	—	—	—	—	—	—
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12.7 "Recent Issues" and "Rights" Page 21  
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## Bids over \$165 for U.S. gold accepted

By Paul Lewis, U.S. Editor

WASHINGTON, July 1. THE U.S. Treasury announced today that it would sell a total of 499,500 ounces of gold to all those who bid \$165.05 an ounce or more, at yesterday's second American gold auction.

In all there were 70 successful bids from 41 bidders, who need only pay to-day's official selling price, which is slightly below the London closing price of \$166.50 an ounce.

The highest successful bidder is the Swiss Bank Corporation of Zurich, which receives 140,000 ounces. Next comes the Republic National Bank of New York (97,000 ounces), N. M. Rothschild of London (90,000 ounces) and Sharrs Pley of New York (52,750 ounces).

The eight largest successful bidders also include Mocatta Metals Corporation (32,500 ounces), Compagnie de Banque d'Investissement de Geneve (29,750 ounces), Merrill, Montagu, Handy and Harman of New York (26,000 ounces) and the Swiss Credit Bank (23,000 ounces).

In contrast with the first auction last January, when less than half the 2m. ounces on offer was bought, the Treasury faced brisker demand for its gold yesterday. A total of 738 bids were received (compared with 209 in January) for approximately 4m. ounces at prices ranging from \$32 to \$182 an ounce.

The Treasury, though, was offering a maximum of 500,000 ounces and while the amount sold fell marginally short of this figure, the auction raised \$82.4m. in revenue for the Government.

As in January, much of the gold auctioned off has gone to foreign dealers. However, the Treasury believes the metal will probably be sold back by them to U.S. interests and is unlikely to leave the country.

In this way, the auction should help keep down U.S. dollar imports, now that ordinary citizens may invest in gold and reinforce the balance of payments.

By selling off metal from the official reserves to meet private demand, the Treasury also hopes to underscore its distaste for gold's lingering monetary role and reinforce its efforts to bring this to an end.

## Air and ship Bill is put off until October

By John Hunt

THE GOVERNMENT Bill to nationalise the shipbuilding and aircraft industries will not now be introduced in the present session of Parliament, Mr. Eric Varley, the new Industry Secretary, said last night.

Instead it will be brought before Parliament in the session starting at the end of October, with the intention of nationalising the companies concerned as early as possible next year.

The fact that the legislation is being put back will certainly anger the Left wing of the Parliamentary Party and also the Confederation of Shipbuilding and Engineering Unions.

Only last week, after suggestions that the Bill would be delayed until the autumn, the Government went to extraordinary lengths to assure the unions that it was being pressed with all possible haste.

The Government has already announced provisions to prevent the companies selling off sections of their operations in order to avoid nationalisation and these provisions will continue in force, said Mr. Varley.

"The Government reserves the right, should there be any

deliberate attempt to frustrate the objectives of public order, for setting up the new British Shipbuilding Corporation and British Shipbuilding Corporation Ltd. These Committees would be able to act as centres of advice in the interim period before nationalisation became effective.

It is understood that the Government intends to look into the possibility of getting these committees set up in advance of Second Reading.

If this can be done within the framework of existing legislation, it is likely that it will be, for it would relieve the Department of industry of much strain in constantly advising the companies in the two industries of what to do pending nationalisation.

This would probably be of more use to the shipbuilding industry than the aerospace industry, which is already heavily dependent upon the DoI for cash and consent for various projects and operates closely with the Government.

Nevertheless, both industries are likely to continue to campaign strongly against the impending nationalisation.

Mr. Varley advised any direct-ors who ran into difficulties to contact his department for help. "I would expect such cases to be exceptional," he said.

**Hiatus**

Michael Dwyer, Aerospace Correspondent, writes: The question that now faces both the Government and the unions is how to get over the hiatus that will be caused for the next few months, pending the re-introduction of the Bill towards the end of this year.

For example, it is possible that the Government could find some way of setting up the proposed Organising Committee, that is not normally come into being until after Second Reading.

## Callaghan now set to visit Uganda

By Malcolm Rutherford

MR. JAMES CALLAGHAN, the Foreign Secretary, is now ready to fly to Uganda next week for talks with President Amin following the President's decision to spare the life of the British lecturer, Mr. Dennis Hills. Mr. Hills was due to be executed on Friday.

The announcement of the reprieve came on Radio Zaire in the form of an extract from an impromptu Press conference given by President Amin, who has been visiting Zaire for the past two days.

In somewhat obscure language, the President said he had decided "to give clemency" to Mr. Hills "because President Mobutu (of Zaire) wanted the things to be completely free without being controlled by the super-powers."

The report was officially confirmed when the British chargé d'affaires in Zaire, Mr. Douglas Reid, was summoned to a meeting with both President Mobutu and President Amin.

In London, the Foreign Office welcomed the decision and said Mr. Callaghan was now ready to carry out his undertaking to go to Kampala for talks on Anglo-Ugandan relations. A message of thanks is being sent to President Mobutu for his successful efforts at mediation.

President Amin had said previously that the execution would go ahead on Friday if Mr. Callaghan failed to arrive for talks in the meantime. Mr. Callaghan, in turn, had insisted that there was no question of his going to Uganda "under duress." The announcement of the reprieve is regarded as enough to enable the visit to take place.

The most obvious date would be some time next week since Mr. Callaghan will be in Italy from July 3-6 and in Poland on July 13-14 and has other travelling arrangements in the rest of the month.

The Zaire broadcast also contained a more surprising passage in which President Amin said he was leaving everything concerning Britain and Uganda to be discussed with his brother General Idi Amin Dada.

Mr. Callaghan said he was leaving everything concerning Britain and Uganda to be discussed with his brother General Idi Amin Dada.

## Chancellor fills the vacuum

THE LEX COLUMN

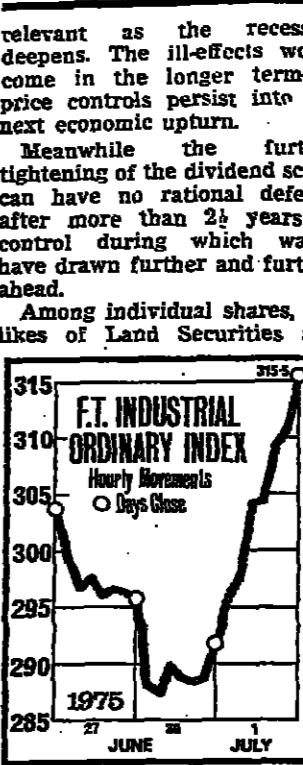
After falling more than 40 points in the previous six days, the 30-Share Index was due for a rally anyway, and it was already over 12 points up by noon before news came of Mr. Healey's imminent statement. This helps to explain the snap reaction to a package which includes the promises of further price and dividend controls. Gifts reacted rather coolly—with the long up half a point or so—but the F.T. Index, which has been noticeably weaker than the All-Share in the past few weeks, has recovered in a single day roughly a third of its reaction from the 365 peak.

The statement was obviously rushed out ahead of the proper formulation of measures, and many points of detail remain to be clarified. At this stage the wage control policy appears to be as tough as anyone could have anticipated, but as in all the Government's recent economic pronouncements the lack of any detailed proposals to contain the borrowing requirement is the glaring omission.

That is why gifts have yet to receive their fundamental buying signal, even though the monetary conditions remain favourable for occasional buoyant phases. The Government Broker, in any case, is ready with his long list of demands to mop up any revival of demand. And much will depend on the response of sterling over the months ahead, for if this package fails to make a lasting impression on our overseas creditors the interest rate weapon is one of the few measures the Government has yet to try. The bulls will have to fall back on the argument that external pressures will, in fact, force the Government into a direct attack on the financial deficit, which ultimately will have to be trimmed right back if inflation is to be halted in the medium term.

For the corporate sector the question is whether the price controls—to check the rate of price rises as wage inflation slows, and to encourage compliance of individual employers with the pay norm—will be anything more than cosmetics. For the present it is a fact that margins have started to recover and that the company sector's financial deficit is narrowing rapidly. In many areas price controls are becoming progressively less

Index rose 23.7 to 315.5



group's gearing is now quite hefty even though total assets could rise by, say, £50m. stocks were put in at current market prices. Tate says the main explanation is a substantial expansion in the value of its business—especially North America which has more than offset the downturn in commodity prices. Further clarification would be helpful in the EGM.

Tate has seen fit to underwrite the offer—at a 26 per cent discount on Monday night price, which says something about the worries of the underwriters in recent days. The package left the shares 77 lower at 227p after 217p, where the ex rights yield is 7 1/2 per cent. The subsidy now whether the hope of a settlement to the Paris sugar dispute will enable Tate to claw its year's provisions back into next year's profits and produce reasonably stable performance over the next months.

### Rothmans Intl.

Rothmans' 1974-75 profits are maybe £6m. short of what outsiders were hoping for—£12.1m. pre-tax against £27.2m. for the previous nine month period. But there is a bright hint of earnings recovery this year, and the dividend has been maintained. Together with yesterday's upsurge in equity generally, that left the share just 1p lower at 22p.

Germany has had a rough time with weak prices at shipping market shares; it contributed almost a third of pre-tax before interest for the 1973-74 period. But prices went up about 15 per cent for the main factors ex duty from May 1 in this year, clearly the key to current year recovery prospects. Exports should continue to well while in the U.K. Dumb (up £1.4m. to £6.2m. pre-tax last year) should keep the home based operations ticking over in the face of price controls and falling volume.

Meantime, the plight of sterling has now pushed up the value of the pound to near £10m., and there is no solution in sight for either this or the balance sheet pressures it applies to the group. The market capitalisation is £34m. and an 11.1 per cent yield is covered 2.3 times. See also Page 20

## Gujarat leaders vote against Mrs. Gandhi

By Kevin Rafferty

BATTLE was joined to-day between the newly-elected Government and the opposition Congress Party, the latter single party in the Front.

The leaders of all political groups in the Government protested against Mrs. Gandhi's assumption last week of emergency powers and called upon her to lift the state of emergency to release the detained Opposition leaders and end censorship.

The Gujarat politicians are the first political figures in India to challenge Mrs. Gandhi's measures, although they face some difficulties in pushing their opposition further.

All the MPs in the five parties comprising the Janata (People's) Front yesterday passed three resolutions against Mrs. Gandhi's move. To-day in this big industrial city the state MPs' condemnation was reinforced by the adoption of similar hostile

motions by the Gujarat Pradesh Congress, the administrative body of the opposition Congress Party, the latter single party in the Front.

This body is responsible for the activities of the party right down to the smallest towns and villages and can press the call of opposition to all parts of the state.

Many leaders feel particularly bitter as those arrested in Mrs. Gandhi's swoop include Mr. Moraji Desai, who was the prime candidate of the election victory in Gujarat earlier this month.

But the tricky next question is how the Front will push the opposition forward, particularly as the central government appoints a censor can be expected to cur any mention of the opposition from the state and national newspapers.

The Front is anxious not to give Mrs. Gandhi an opportunity

to intervene in the state, and its only advantage at present is that Mrs. Gandhi may hesitate to try to bring Gujarat under President's (central) rule so soon after the election.

Some members of the Front central bodies were disappointed with what they considered the meekness of to-day's opposition. They felt that the Front and the Opposition Congress should hold public demonstrations against Mrs. Gandhi's measures. One of them told me: "If we do not press our case publicly we will lose our freedom inch by inch."

But Mr. Babubhai Patel, the state's Chief Minister, explained some of the pressures on him: "When we took over the state its finances were in a bad way. Gujarat has to rely heavily on the Central government in New Delhi for financial assistance and after three successive years of drought its ability to do without that money is severely curbed."

## Land Securities sales to raise £80m.

By Nicholas Leslie

A BOOST to the property world is given today with the announcement by Land Securities Investment Trust, Britain's biggest property company, that it is raising at least £80m. towards the cost of its development programme from sales, arranged since April 1974, of "selective investment properties."

At the same time, the company is switching steadily from a policy of traditional development to what it describes as "revitalisation" of properties.

The cash raising plans are disclosed by Lord Samuel, chairman of Land Securities, in his annual statement with the report and accounts for the year to March 31, 1975, published to-day.

They come one day after another property group, English Property Corporation, announced a right issue to raise £15.4m. for its U.K. development programme in preference to carrying out developments on a lease-back basis or disposing of investment properties.

Lord Samuel says properties are being sold because the group's more normal policy of arranging permanent finance from time to time as developments are completed has been adversely affected by a change in the conditions under which property funding had been available.

Of sales in hand, the aggregate of those in respect of which terms have been agreed since April 1, 1974 "amounts to £80m., subject to capital gains tax arising on the disposals," says Lord Samuel.

Land Securities has found that rack rented (that is, let at about current market rents) freehold properties have proved most popular among purchasers, included among the sales are properties in the City and the West End of London and four leasehold Ravenscroft shopping centres.

Lord Samuel says it is intended to concentrate on revitalisation of properties as opposed to entering major development projects because of continuing unfavourable conditions. This will ensure that the revenue-earning capacity of the buildings is enhanced "pending some clarification of the industry's long-term future."

## Healey's wage guidelines are welcomed by CBI

By Kenneth Gooding, Industrial Correspondent

THE CONFEDERATION of British Industry said last night it was "relieved" that the Chancellor had clearly stated the pay limits necessary over the next year to allow the U.K. "to reach a rate of inflation compatible with our industrial competitors."

It said it had realised during the recent discussions with the TUC and the Government that circumstances could demand that the Government act at once.

"These circumstances now exist," the CBI stated.

But the CBI remained extremely concerned that the Government might take some action to tighten price controls. "That would be detrimental to companies already very difficult financial situation and thus to their future investment and employment prospects," it said.

In recent weeks the CBI has been hammering home the point that, however politically attractive it might be to match pay controls with price controls, this would just destroy any benefit that a pay policy might have on employment levels.

Industry has survived the worst

of the recent cash squeeze, mainly by cutting cash investment (by 15 per cent, according to the latest statistics) and output. Any further pressure on prices would only put companies back in serious cash-flow difficulties, once again, the CBI argues, and force them to look at the jobs they could provide.

**Real test**

Many industrialists say privately they believe they have convinced the Prime Minister and Mrs. Shirley Williams that the present Price Code goes far enough.

The add, however, that the real test of the Government's determination might come next year when, hopefully, wage restraint should have taken hold and yet prices will still be rising substantially.

The CBI in its statement last night also declared: "We believe that the measures to be announced next week should be only the first stage of policies to reduce inflation rates still further over the next two or three years."

The rate of inflation is the key to employment, investment and Britain's competitive edge in world markets, a spokesman stressed, and many of our competitors already had it down to the 10 per cent level, although "10 per cent inflation is intolerable in the long-term."

The CBI outlined last month its own suggestions for bringing inflation down to an "acceptable" level of 5 per cent a year within two to three years.

It also made it clear last night that it is still willing to continue discussions with the Government and the TUC on counter-inflation policies.

## Crown Agents decision on Stern likely

By Margaret Reid

THE Crown Agents are expected very shortly, probably today, to assent to the scheme of arrangement for the Stern Group recently approved by the necessary majorities of creditors.

The agents, who handle investment for many overseas Governments and Boards, and who were recently backed by an £85m. Government grant, have large sums, exceeding £30m., outstanding to the Stern Group company.

The scheme was held up, while counsel's opinion was sought on certain points.

It was emphasised yesterday that as part of a very detailed review of its past commitments and involvements, the agents were vigorously pursuing any chances of claims and recovery.

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